



action plan

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1. The Challenge of Change

“Delivering safe, high-quality, nutritious food, produced in a sustainable manner, to well-informed consumers in high-value markets is the optimum road for the future of the Irish food industry”

Mary Loughlin

Minister for Agriculture and Food

The Challenge of Change

This Action Plan is based on a well-founded optimism about our capacity to compete and win on European and world food markets that are becoming ever more competitive, innovative and demanding.

The Irish agri-food sector is one of the most important and successful indigenous manufacturing sectors in this country. It has shown in the past that it can prosper on the opportunities offered by change. Our challenge now is to seek out the opportunities in an environment marked by major developments in EU and world trade policy, major changes in food markets driven by lifestyle and technological factors, and new benchmarks of performance in Ireland's transformed economy and society. To succeed in this environment, will require a culture focused on entrepreneurship, innovation and efficiency. Old attitudes and approaches will not survive the test of competition.

This is a widely shared understanding at all levels in the agri-food industry. From the farm to the supermarket, to the manufacturers, people whose livelihood depends on our ability to sell food products to consumers recognise the broad outline of what needs to be done. They know that our focus on quality, efficiency and competitiveness must be relentless at every stage in the value chain, and that we must have the creativity, flexibility and enterprise to produce what the consumer wants now and will want into the future. Innovation in product development, and production technologies, is a key requirement for everyone in the sector back to, and including, the farmer.

In pursuing this commercial agenda, the sector must ensure that whatever it does is sustainable in environmental and economic terms and respects broader societal requirements. Indeed this is necessary if the sector is to be commercially successful. Delivering safe, high-quality, nutritious food, produced in a sustainable manner, to well-informed consumers in high-value markets is the optimum road for the future of the Irish food industry.

These are demanding, but also exciting, times for the sector. We have an opportunity to grow and develop while at the same time, farmers have a considerable degree of assurance through direct income supports.

This Plan sets out the actions required now to ensure our success in the future. It is informed in particular by the analysis provided by the Agri-Vision 2015 Committee, which included figures from the food industry, state agencies academia, and the leaders of the farming community, and was chaired by Alan Dukes. It also takes account of material from a wide variety of other sources. The purpose of this Plan is not to add further to the body of analysis, but to set in train the actions that are now required. While it concentrates on the particular issues to be addressed by state agencies, it is vital that all participants in the sector recognise and fulfil their role in the process of change.

Together we can ensure that farming, the food, drinks and wood industries continue to play a vital role in the sustainable development of this country.



2. Our Vision for Success

“Our vision involves an industry attaining optimal levels of efficiency, competitiveness and responsiveness to the demands of the market while also respecting and enhancing the physical environment”

Our Vision for Success

This Plan is based on our vision of a competitive, consumer-focused agri-food sector, which contributes to a vibrant rural economy, society and environment and which also exploits opportunities in non-food areas. It aims to put in place and implement the correct policies to allow the agri-food sector to flourish through all stages of production. There is no doubt that the potential exists to improve the competitive performance of the sector over the next ten years.

Also important, is the ability of the sector to contribute in the area of public goods. The link between agricultural production and public goods such as the landscape, heritage, biodiversity and reduced greenhouse gas emissions can be enhanced by greater participation in agri-environmental farming and forestry. Our vision involves an industry attaining optimal levels of efficiency, competitiveness and responsiveness to the demands of the market while also respecting and enhancing the physical environment.

A Transformed Market

The agri-food sector has been transformed in recent years by:

- Dramatic changes in European and international food markets,
- The major evolution of EU Policy on agriculture and rural development,
- The enlargement of the EU with the challenges and opportunities this presents, and
- Structural changes in Ireland, arising in part from our rapid economic growth.

Changes in consumer tastes and demands, in market trends and in international trade, are continuing and the CAP will continue to evolve to respond to this ever changing environment. These changes are creating much more competitive EU and world commodity markets, and ever more complex and innovative food product markets. Changes in the food chain are also occurring. These range from concentration among the large retail chains, to the development of niche markets and farmers markets. The effect of these changes on consumer prices has been highlighted by

the report of the Consumer Strategy Group. An already demanding and tough marketplace is getting much more so. This trend will intensify further regardless of the outcome of the WTO negotiations. The changing market presents the Irish agri-food sector with opportunities, that it must take advantage of, and challenges, that it is capable of meeting.

To prosper in this new environment, will however require changes in the industry at every level. In particular we must:

- Take full advantage of the freedom to farm exclusively for the market arising from the decoupling of direct farm payments,
- Focus on the requirements of the consumer at every stage in the value chain, especially in ensuring the highest standards of food safety, quality as well as on the range and type of product,
- Continue, and accelerate, the process of structural change at farm and processor level to achieve the most competitive structures possible,
- Ensure that the knowledge base and technical skills of the sector are developed to place it in a world leading position, and
- Match these capabilities with an entrepreneurial focus on exploiting all market opportunities to the full.

This focused, commercial approach must be pursued in a way that is economically, environmentally and socially sustainable. Our farmland constitutes 72% of the land area of the country. It is therefore the primary factor shaping our physical landscape, which is itself an important and valuable natural resource. The capacity of the sector to contribute positively in terms of wider environmental and social benefits is recognised in the “European model of agriculture”. This is underpinned by very significant public funding of approximately €3 billion per year, which will continue to support the viability of farm families and encourage the provision of environmental and other benefits to the wider community.



Public support for the provision of public goods and the encouragement of structural change and adaptation is fully compatible with, and indeed can facilitate, the business of farming and food production. This support must not deflect from the commercial focus of the sector.

Recent reforms of the CAP have transformed the policy environment in which Irish agriculture operates, creating greater scope for market-led development. The Government will strongly support the continuation of the CAP as a central policy of the EU, and will seek to ensure that it evolves to deal with present and future challenges and opportunities. It will work with the Commission and other Member States to build on the existing CAP in a way which, inter alia, underpins the competitiveness and sustainability of European agriculture, ensures that CAP mechanisms are as simple, transparent and effective as possible, and maintains the community nature of agricultural policy.

Drivers of Success: Competitiveness, Innovation and Consumer-focus

The sector exports the majority of what it produces. To survive and grow it must be highly competitive on EU and international markets. Competitiveness is not optional for such an export-oriented sector. It is the primary objective on which this plan is based. The second, and closely related, basis for this plan is innovation. The modern food industry is a highly sophisticated, knowledge-based sector in which technological progress is unremitting, and product innovation is constant.

And the third pillar of this Plan is consumer-focused marketing. To succeed, in an increasingly demanding market, we must not only be competitive and innovative, we must also understand what consumers want, and be capable of selling it to them.

Therefore, this plan is firmly focused on the objective of ensuring that the Irish agri-food sector compares to the best in the EU and in the world in terms of competitiveness, innovation and marketing.

The actions set out in this plan are the practical steps that the participants in the sector can and must take to achieve this objective.

This objective is realistic and achievable if we pursue it with sufficient imagination, determination and entrepreneurial skill. We already have a very successful agri-food sector which now exports product worth over €7 billion annually compared to €6.3 billion in 1999. Furthermore nearly 74% of these exports go to high-value EU 15 markets and 22% of total exports are of prepared consumer foods or food ingredients. This is a world away from the traditional image of Ireland as a low price livestock commodity exporter and provides a strong base on which to build future success.

The agri-food sector continues to be one of the most important and dynamic indigenous manufacturing elements in the Irish economy. It consists of 135,000 family farms and around 800 industrial units spread throughout the country. In 2004 the sector accounted for almost 9% of GDP, employment and exports. Due to its very strong export orientation and low import content, it is responsible for a much higher proportion of the country's net foreign earnings. Although its relative importance in the economy has diminished somewhat, due to the very rapid expansion of some

other sectors in recent years, it remains vital to our national prosperity. This Plan is based on a well-founded and realistic assessment that the agri-food sector in this country can continue to play a key role in our national development and can have a bright and prosperous future if we do what is needed to succeed.

In the following sections of this plan, we set out the wide range of actions needed to fulfil our vision of future success. Many of these actions will be taken by Government agencies, but some of the most important actions are the responsibility of the private sector, whether in farming or industry. As commercial subsidies will play a much reduced role in the future; success or failure will be determined primarily by the skills and energy of the private businesses of all sizes and at all levels in the sector.



3. Focusing on the Consumer

“The future of the Irish food industry is dependent on the extent to which it meets consumer demands for safe, quality, nutritious, innovative and competitively-priced food products”

Focusing on the Consumer

Meeting the requirements of consumers is at the centre of agricultural policy and is vital to the development of the agri-food sector. This perspective is central to the recent reforms of the CAP. The shift away from market supports and the more recent decoupling of income support means that farmers and the agri-food sector will be increasingly able to focus on producing what the consumer wants. Equally important from a consumer viewpoint is the fact that the environmental, animal health and animal welfare conditions attaching to the new Single Payment are intended to ensure that societal demands in these areas are respected.

The state agencies working with the sector, which include the Department of Agriculture and Food (DAF), Bord Bia, Teagasc, Enterprise Ireland and the Food Safety Authority of Ireland (FSAI), devote a huge amount of their effort and resources to ensuring that the appropriate regulatory and support systems, consumer information and other requirements are in place to meet the needs of modern consumers. This is especially important to a food exporting country like Ireland.

Effective food safety systems will remain central to the food industry's capacity to provide consumers with the guarantees they require, and there is now also increasing focus on the related issues of food quality and nutritional value. The future of the Irish food industry is dependant upon the extent to which it meets consumer demands for safe, quality, nutritious, innovative and competitively priced food products. It must also satisfy consumers' demands that their food is produced using high environmental and animal welfare standards.

Food Safety

Food safety continues to be of paramount importance for the health of the consumer and the future of the food industry.

Food safety is the responsibility of everyone in the value chain; “from farm to fork”. The high standards required by law and the market can only be maintained if everyone plays their part. The primary responsibility for food safety and compliance with the new Hygiene

and Feed and Food legislation rests with the industry. DAF, in conjunction with the FSAI, works to ensure that the necessary State input is provided through inspections and other activities and measures at both the farm and processing levels. It remains a Government priority to ensure that state agencies work together to provide a seamless delivery of food safety control systems. To meet the State's laboratory needs into the foreseeable future, the State has already provided and equipped state-of-the-art centralised laboratories at Backweston.

- DAF will enforce food legislation in accordance with the terms of its service contract with the FSAI and it will take a proactive role in prioritising and delivering food safety initiatives in conjunction with the FSAI and Saferood, the all-island food safety body.
- DAF and other agencies involved will put the necessary measures in place to ensure the full implementation of the EU Food and Feed legislation, including the EU Hygiene Package.
- DAF will support research and programmes which facilitates accurate assessment of possible risks from food constituents or contaminants in the diet of consumers.
- Existing systems on animal traceability will be further developed by DAF in line with emerging health and consumer concerns.
- In consultation with the FSAI and the Department of Health and Children, DAF will ensure that the optimum level of laboratory services are available to maintain food safety standards. In this regard, DAF's central laboratories at Backweston will be further developed and utilised as a science based centre by DAF and the agri-food industry.
- The Veterinary Medicines and Animal Remedies Regulations will be implemented by DAF to protect consumers from exposure to potentially harmful organisms.



Food Quality

Public health requirements and consumers' expectations mean that food safety is taken to be a "given" and food quality is an increasingly important competitive factor in the food sector. The attainment and marketing of recognised benchmarks in food quality are quintessential elements in meeting modern consumer demands thereby expanding the market share of Irish food and foodstuffs in national and strategically important international markets.

Quality assurance gives customers added confidence in the origin, integrity and traceability of products. The Department has already invested considerable resources in developing and implementing sophisticated animal traceability systems to underpin both safety and quality assurance requirements. Bord Bia has been active in implementing quality assurance schemes in the beef, pigmeat, poultry, egg and horticulture sectors and work is progressing to capitalise on marketing the value of these schemes.

- DAF will continue to promote best practice in food safety and quality, recognising their importance to consumers and the competitive advantage that such practices offer, particularly in the context of competing with low cost imports.
- DAF will consider ways to enhance the usage of the existing animal traceability systems for marketing and labelling of food products.
- Farm bodies should commit to, and actively promote amongst their members, maximum participation in Quality Assurance Schemes for all livestock, grain and horticultural products.

- Bord Bia will actively promote maximum participation in the existing quality assurance schemes for pigmeat, poultry and eggs.
- DAF will encourage the participants in the beef industry to agree an appropriate and stable funding mechanism for the Beef Quality Assurance Scheme. Provided agreement can be reached with stakeholders, exchequer funding will be made available to assist with some of the costs involved.
- Beef processors and Meat Industry Ireland (MII) should continue to actively promote and support the extension of Quality Assurance Schemes.
- Producers, Processors, DAF and Bord Bia will jointly implement a Sheepmeat Quality Assurance scheme to orient production methods to meet market demands at home and abroad.
- Proactive steps will be taken in conjunction with the industry to introduce country of origin labelling and to promote and support Quality Assurance schemes to differentiate Irish poultry and pigmeat products.

Addressing Consumer Concerns

The Consumer Liaison Panel (CLP) was established to provide a formal channel of communication between the Department and consumers. The purpose is to provide information and obtain consumer input in relation to the full range of the Department's activities as recommended by the report of the Consumer Strategy Group.

Labelling of foodstuffs was one of the first areas identified by the Consumer Panel as a concern. Effective labelling information enables consumers to exercise their rights in making choices about the food they buy. DAF has ensured that all of the recommendations of the Food Labelling Group have been addressed. Consumer demand, as reflected in a

consumer survey commissioned by the CLP, to extend origin labelling for beef to restaurants and catering outlets was pursued through legislative change. DAF will continue to give priority to any emerging consumer demands for information in relation to the source, production and composition of foodstuffs.

- The operation of the Consumer Panel will be reviewed and strengthened to ensure that an up-to-date consumer viewpoint is available on Department activities.
- The relevant Departments will enact the necessary legislative basis and implement a food labelling regime to provide the maximum information to all consumers on "country of origin". This will apply in the first instance to beef products and will be extended as rapidly as possible to other meats.

Nutrition

In developed countries a combination of overeating and sedentary lifestyle is undermining people's quality of life, life expectancy and productivity. Specific diseases and conditions are linked to a combination of poor diet and the lack of physical activity. While a multi-faceted response is required to this issue, there is a particular need for the food industry to focus on nutrition and food science for optimal human health and well-being.

The Irish food industry is well positioned to meet demand for healthy eating choices and the Department has an important role in encouraging the development of nutritional food products or food for health.

The Department is fully aware of the importance of co-ordination of its nutrition related activities with the food industry, other Government organisations, and consumers.

- DAF, in conjunction with the state agencies, will work with the food industry to develop a nutritional focus in product development and marketing.
- DAF will commission further research in the area of human nutrition and food science, including dietary requirements, nutritional assessments, food composition and food uses, to provide information to the food industry to support innovation, new product development and product promotion.

- DAF, in co-operation with other Government Departments and state agencies, will examine food use and food consumption patterns among the Irish population to determine areas for food production, marketing and promotion initiatives.
- DAF will work with other Governments and international institutions to identify global trends and patterns with regard to nutrition related issues and promote appropriate food industry responses.
- In order to promote the nutritional benefits of milk and milk products DAF, in consultation with the dairy industry, will launch a new School Milk scheme.
- Teagasc will expand further its programme of research on food and health to identify potential components for food that will impact positively on health and will become actively involved in research towards the development of nutraceuticals.
- Secondary research as well as market research will be prioritised to support the opportunities provided for the Irish food sector to develop and supply appropriate food products to meet the changing demographics of national and international markets.

Building our Knowledge Base

The report 'Building Ireland's Knowledge Economy' set out a vision that "Ireland by 2010 will be internationally renowned for the excellence of its research and be at the forefront in generating and using new knowledge for economic and social progress, within an innovation driven culture". This is our vision for the Irish agri-food sector and it also includes a recognition that research and development (R&D) funding and other State resources will be required to support its implementation.

Efficiency and innovation, driven by sound scientific knowledge, will be essential elements in enabling the Irish agriculture and food industry to meet future consumer demands in an increasingly competitive global marketplace. Farming is the first link in the food chain as the provider of high quality, nutritious and safe raw materials. The farming sector will continue to develop sustainable production systems that respect the physical environment, promote biodiversity and guarantee the maintenance of a healthy population and health giving countryside.

An on-going capability in modern technologies will be required in order to assess and harness potential developments and innovations in the animal and plant sciences, including breeding, genomics and plant biotechnology. Opportunities to diversify into non-food crops, such as renewable energy, need also to be exploited. There is also the potential for novel products and technologies in the longer term, which offer strong potential for biotechnology applications and spin-offs to the bio-economy.

Teagasc's restructured agricultural advisory strategy is directed at strategically assisting farm families to confront the challenges from the changing policy environment and the decoupling of direct payments. The dissemination of proven new technology, financial planning techniques, advice and information on improved efficiency will be important in meeting the development needs of farmers. Advisers are also delivering a range of environmental services to ensure that farmers are fully supported in achieving the requirements of best practice and cross-compliance. To meet the needs of full and part-time farmers, its education and training programmes have

been reviewed and are now based on a platform of innovation, excellence, and competitiveness.

The food industry must have the capacity and scientific knowledge to assist innovation and become more efficient and responsive to the market. The dependence of the competitiveness of the Irish agri-food industry on basic and applied R&D must be recognised. Its requirements are similar to other high tech industries and it must be supported in a similar fashion. The Irish food industry's expenditure on R&D, at 0.3% of sales, is lower than in other sectors of the economy. This is in part because it comprises a large number of Small and Medium Enterprises (SMEs), which do not have the capability or expertise to engage in R&D and which, in any event do not originate from such a background or culture. Ireland has built up considerable R&D capability in functional foods and the consumer emphasis on health and nutrition will encourage growth in the functional food and ingredients sector.

The Department has put considerable resources into agriculture and food research, through funding of the Teagasc R&D programme, and the NDP Competitive Research Programmes operated by the Department, e.g. the Food Institutional Research Measure (FIRM), the Research Stimulus Fund (RSF) and the Forestry Measure (COFORD). Funding of food industry applied research is also available through Enterprise Ireland.

These programmes have stimulated collaboration and inter-institutional partnerships and have resulted in recognized centres of excellence and many new product and process developments. These developments must be further strengthened and the expertise gained rapidly disseminated to underpin a competitive and profitable Irish agri-food sector.

4. Building our Knowledge Base

"The food industry must have the capacity and scientific knowledge to assist innovation and become more efficient and responsive to the market"



- The Department of Agriculture and Food will prioritise increased funding for Research and Development in the National Development Plan 2007-2013.
- DAF will ensure that its public good competitive research programmes, (FIRM, RSF, COFORD), will be focused on the needs of the sector and will continue to facilitate collaboration and capacity building in Irish research centres.
- DAF will ensure that food research provides a base of expertise in generic technologies to support a modern, innovative and consumer focused food industry, with attention to food safety and quality issues.
- DAF, through Teagasc and its own competitive research programmes, will support the building and strengthening of a research capability in new technologies, and will exploit their application to natural resources including agriculture, food, non-food land uses and the bio-economy generally.
- DAF will ensure that the new DAF Agricultural and Veterinary laboratories will operate as science based centres and will seek to integrate them into the national research infrastructure and support their participation in collaborative research. Linkages will be pursued through outside bodies to achieve this.
- Teagasc will organise its resources into centres of excellence, to build critical mass, improve market led R&D capability.

- Teagasc will continue to develop its agricultural colleges to provide education and training courses that meet the skills needs of the agri-food industry. Teagasc will also broaden the role of the colleges with a view to their playing an enhanced role in rural society.
- Enhanced Teagasc commodity groups are being established and programmes will be implemented jointly with industry, which foster early and widespread adoption of new technologies.
- Results of food R&D will continue to be rapidly and widely disseminated to industry through RELAY, the food research dissemination programme.
- Teagasc will continue to place emphasis on ensuring that R&D results and technology developments are published and are transferred rapidly to clients through its advisory and education programmes.
- DAF will continue to strengthen co-operation with other Departments and state agencies to achieve a strategic and seamless approach to R&D funding and to bring about increased involvement and funding by industry.
- DAF will promote and assist collaboration by Irish researchers in collaborative international research initiatives and EU Framework Programmes.
- Teagasc will carry out agricultural production research, including research on the socio-economic determinants of agricultural productivity, so as to assist in providing a greater understanding of competitiveness.



5. Strengthening Competitiveness

“Achieving market growth requires a strategic grasp of the trends and lifestyles driving demand and of the areas of advantage for the Irish agri-food sector”

Minister Smith with locally grown produce for the local supermarket.

Strengthening Competitiveness

The potential markets for Irish food products that are capable of meeting consumers' increasing demands for convenience, quality, well-being, value and indulgence foods are significant and are increasing year on year. There are many opportunities available to the sector:

- A €250 billion market in the UK;
- A wider Continental EU market worth in excess of €1,000 billion;
- Emerging opportunities in Asia and the US.

A domestic market worth €7 billion, which is expanding in line with the increase in population and affluence, is characterised by diverse and sophisticated consumer demand.

Achieving market growth requires a strategic grasp of the trends and lifestyles driving demand and of the areas of advantage for the Irish agri-food sector. Convenience and the demand for quick options are catalysts behind the switch from traditional cooking methods to using ready prepared foods.

The food and drink industry is one of Ireland's largest indigenous manufacturing sector employing approximately 50,000 in direct jobs and considerably more when indirect jobs in farms, the supply industry and services are taken into account. The overall agri-food sector accounts for 9% of GDP and total employment, 18% of industrial jobs and a fifth of the net flow of foreign earnings associated with exports. Analysis using conventional means such as Gross Value Added and Gross Domestic Product actually understates the contribution of the agri-food sector. The low import content level, a strong degree of internal linkage with the rest of the economy and considerably lower profit repatriation means that the food and drinks sector provides a greater domestic impact than many other foreign-owned companies involved in the manufacturing sector.

The food and drinks sectors accounts for 62% of exports and 40% of employment in indigenous industry. The majority of the 800 or so food industrial units are located outside Dublin, which is of key importance in rural/urban balance. While the emphasis in recent

years has, rightly, been on the spectacular growth of the services industry in Ireland, the importance of manufacturing should not be forgotten. Balanced sectoral growth is important for all economies. The contribution of the agri-food sector to the Irish economy should be recognised, particularly the high levels of Irish Economic Expenditure in the food sector.

Growth potential is not consistent throughout the sector. The various strengths and needs of large companies, Small and Medium Enterprises, micro and specialist companies need to be recognised and developed. The Enterprise Strategy Group Report recommended that weaknesses in the area of research and development must be addressed by increased collaboration between state agencies, research institutes and private industry to drive market-led R&D. Services provided to industry need also to be world-class in terms of excellence, professionalism and practicality to truly assist companies to make their businesses grow.

Primary agriculture is a fundamental foundation and vital platform for the prosperity and development of the agri-food sector. Individual farmers are the main players and competitiveness is the key to their survival and development. To assist farmers, the State provides significant funding for a wide range of support programmes on education, training, advice, research, market development and market analysis.

The State's role is to facilitate a climate that assists competitive drive and innovation and thereby maximise farm income. However, it is important that farmers position themselves to take advantage of the significant State investment in agricultural research, training and advice on best practice. They must evaluate their own practices and techniques and avail of the advice and research from expert organisations such as Teagasc, Coillte on best practice. They must recognise, and be recognised for, their crucial role in the management of the supply chain and the development of a value-added food industry. Ultimately, it is farmers themselves, often highly skilled, trained and motivated, who will determine their own future.



conditions is essential for the future of the industry, the Government is committed to ensuring that this is achieved in a cost-effective manner with the minimum necessary regulatory burden.

Through appropriate grant aid and fiscal measures, the Government continues to encourage capital investment on farms designed to improve efficiency, competitiveness and sustainability. Very substantial income support continues to be provided to the sector and direct public payments now account for approximately three quarters of farm incomes.

Farm numbers are dropping in all developed countries, however, the rate of decrease in this country is lower than in several of our European neighbours. At farm level, land mobility, consolidation and early transfer of land and flexible quota management are important aspects in facilitating structural change. A combination of State taxation incentives and schemes such as Installation Aid and Early Retirement as well as market pressures has resulted in some structural change but at a relatively low level.

Looking to the future the pace of structural change will need to accelerate in order to ensure farm viability and to effectively meet the challenges arising from increased market access from third countries. Structural change is necessary to increase productivity levels, improve economies of scale and maximise income earning potential. With the right mix of policies and actions, it will be possible to provide full and part-time farmers with a satisfactory lifestyle and level of income. This will be achieved by maintaining a core of commercially viable full-time farmers while at the same time giving part-time farmers the opportunity to supplement their farm incomes through off-farm work.

An aspect of competitiveness which is becoming increasingly significant is the cost, to individuals and businesses, of compliance with mandatory food safety, animal welfare standards and environmental conditions. While strict compliance with these

- At EU and International fora, Ireland will secure the optimum policy framework and the highest achievable level of support for the farming sector. At WTO negotiations, DAF will seek an outcome for the overall agri-food industry that respects the internal reforms already agreed, while maintaining an appropriate balance between export competitiveness and EU market access.
- The Government remains committed to maintaining the optimal number of family farms through the development of commercial full-time farming. At the same time, the Government will continue to provide an economic environment which enables smaller farmers to avail of both on and off-farm opportunities to secure their future.
- The Government will continue to focus on maximising farm incomes through a combination of direct income supports, which will continue to account for 75-80% of farm incomes, and a range of measures which improve competitiveness and productivity and thereby getting the best possible return from the market.
- The Government will continue to support low income farmers through the Farm Assist Scheme.
- Both State policy and industrial strategy must be sufficiently flexible to adopt to the sectoral needs of both full-time and part-time farmers.
- To allow for meaningful farm planning, incentives to encourage greater productivity, consolidation and improved land mobility are required. The Government will continue to implement measures, including appropriate taxation measures, to improve the availability of land for farmers who wish to increase their scale of production and maximise their income from farming.

- Arrangements will be made for the establishment by 1 January 2007 of the farm advisory system provided for in the Single Payment Regulations to advise farmers on meeting their requirements.
- Teagasc will implement a comprehensive advisory programme with specialist enterprise advisors to promote the adoption of proven and innovative farm production. This will be pursued through its four restructured advisory programmes:
 - Options Analysis
 - Business Competitiveness and Technology
 - Good Farm Practice
 - Advisory and Training Programme for Part-Time Farmers
- The Department will seek to ensure that processes are operated in the most cost effective manner possible, with the minimum necessary burden of paperwork and regulation consistent with ensuring proper controls.
- DAF will be proactive in the EU review of cross-compliance in 2008 with a view to simplifying implementation of the scheme.
- Partnerships and alliances between farmers and the food industry will be encouraged to promote the supply of quality produce to the processor and, in return, to provide certainty and income stability to the producer.
- A high-level group of CEOs of the food agencies, chaired at Ministerial level will be established to ensure and implement a fully consolidated approach towards the development of the food sector, as a whole.
- DAF will also establish a Food Industry Committee, chaired at Ministerial level and comprised of senior representatives of the industry to identify issues impeding the development of the sector.
- The Department will proactively engage with the food industry at all levels, multinational, domestic, regional/local enterprises, and the food retail sector to drive forward its development having regard to the accelerating rate of change in its operating environment.
- DAF will support Bord Bia in strengthening strategic market intelligence capability and in developing promotion and market development services with clear targets and objectives to meet

- current and future challenges, particularly those that emerge as a result of decoupling and the outcome of WTO trade negotiations.
- DAF will support Bord Bia in providing assistance to companies developing value-added business in continental EU markets and overseas and identifying specific opportunities in emerging Asian markets.
- DAF and Bord Bia will facilitate, support and promote a target of doubling the value of food and drink exports to the Far East over three years.
- DAF will work with other bodies to support availability of information on innovation/NPD opportunities and the possibilities offered by ICT.
- Bord Bia will establish a Centre of Excellence focused on servicing the market development related needs of small business and will promote regional food and food marketing initiatives through a series of local and international specialist forums.
- Farmers' Markets, modelled on the Farmleigh experience, will be rolled out in co-operation with the Office of Public Works. DAF will also work with Bord Bia and other Departments in promoting this sector as an important alternative outlet for farm produce as well as a valuable showcase and tourist amenity.
- DAF will encourage EU Protected Origin/Protected Geographical Indication status within the terms of the relevant EU regime.
- DAF in conjunction with the relevant state agencies will also promote the development of local and regional food enterprises particularly in speciality and artisan food products.
- DAF will seek to strengthen links between producers in the artisan and speciality food sectors and relevant agencies such as the Taste Council, Teagasc and the Third Level Colleges.
- Teagasc will put in place a specific programme to support people wishing to set up artisan and speciality food businesses.
- The National Functional Foods Forum, under the chairmanship of Enterprise Ireland, will develop a strategic plan for the development of the functional foods & ingredients industry in Ireland.



“Primary agriculture is fundamental to the prosperity and development of the agri-food industry. Individual farmers are the main players and competitiveness is the key to their survival and development”

- Bord Bia will hold Marketplace Ireland events to specifically match suppliers with international buyers.
- The Féile Bia campaign will be enhanced to promote the use of local, regional and speciality produce in all catering outlets.

The Livestock and Meat Sector

Growth in global meat consumption is expected to rise by 2% per annum over the coming decade. Meat consumption growth is expected to be particularly strong in developing countries and meat consumption gains in those countries are expected to be double those of OECD countries. The livestock and meat sector is a major driver of the Irish agricultural and rural economy accounting for over 45% of agricultural output and 32% of agri-food exports.

The introduction of the Single Farm Payment Scheme is a significant factor in the future development of the sector. The decoupling of premium payments from the production of animals means that producers will be completely focused on the market place and on the economics of production. This is a new environment for the sector and comes about at a time when existing market management support mechanisms are being weakened in the context of the WTO Doha Development Round.

The livestock and meat sector is facing a very challenging environment into the future. Reducing export refunds and increasing market access to the EU for Third Countries will result in significant changes in the economics of production at producer and processing level. We should not underestimate the depth of the challenge now facing the sector. EU market prices are set to move closer towards world levels and competition from outside suppliers of meat to the EU will affect existing markets. The sector must rapidly adapt to face the future challenges successfully.

The infrastructure for achieving the greatest possible genetic improvement in the national cattle herd for the benefit of Irish farmers and the agri-food industry is in place and needs to be exploited to the full. The suckler herd is the base on which our quality beef production is built. It is vital that the necessary numerical strength and quality of this herd is maintained to provide the raw material for our high value export markets. Decoupling, while having many virtues, not least for farmers, does expose the suckler herd to a challenging market situation especially in the context of the WTO Doha Development Round.

Sheep production also continues to be an important farm enterprise with an extensive geographical spread. With decoupling the future of the sector is fully reliant on satisfactory market conditions. In this more open trading environment increased productivity, improved quality and breeding and

efficient use of labour will be important drivers of the sector.

The pig and poultry sectors are in the main highly specialised units in Ireland. They have become accustomed to operating in a highly competitive tight margin market. While flock and herd performance and production costs will remain critical to success in the future, the sectors are also now facing further environmental and animal welfare constraints.

The short-to-medium-term goal of the Irish meat industry, especially beef, is to ensure that high market penetration in the EU is consolidated and developed. It is important that access to commercially attractive Third Country markets is expanded, despite the phasing out of export refunds and our reduced reliance on such markets. The key to achieving this goal lies in remaining competitive, applying best practice in the area of food safety and effective marketing based on quality, nutrition and traceability. As is clear from the threat to the poultry industry from avian flu, at the time this plan was being prepared, continued vigilance and effective action on animal health issues will remain critical, see Chapter 6.

- At EU level the Department will work to ensure the continuation of an appropriate support framework for the meat sector within the Common Organisation of the Markets.
- The Department, in conjunction with other state agencies will oversee systems to ensure that the high standards of Irish food safety, quality and traceability will be vigorously promoted to provide a competitive advantage against low cost imports.
- Joint action will be taken by the Department, Bord Bia and the meat industry both to identify new markets for Irish meat products and to promote and improve Irish market share in European and Third Country markets.
- The Department and state agencies will support increased investment in R&D and product development.

- All parties involved in the beef sector will coordinate their efforts to increase the quality of beef produced under the National Beef Quality Assurance Scheme accredited to EN 45011 Standard.
- Enterprise Ireland will provide support for investment projects by the meat processing sector in developing value-added products.
- Beef processing plants should strengthen and refine quality related pricing systems to encourage production of high quality carcasses, which meet consumer preferences.
- Recognising the critical importance of the suckler herd to the Irish beef industry, the Department will consider what measures are required for the suckler herd in the context of decoupling.
- Increased use of artificial breeding techniques in the suckler herd will be promoted.
- The mechanical grading of beef carcasses will continue to be monitored on an objective basis to encourage the production of consistent quality carcasses which best meet consumer preferences. The industry will continue to develop the system towards measurement of meat yields.
- Beef processors should engage in partnership and supply chain management arrangements with individual beef producers to actively match specific consumer requirements with product delivered.
- With support from DAF, the Irish Cattle Breeding Federation (ICBF) will intensify its efforts to deliver a significant increase in the rate of genetic improvement of beef cattle through a combination of improved breeding schemes, greater use of artificial insemination, genetic evaluation and information services to all sectors of the industry.
- Teagasc will strengthen its animal breeding expertise and will work closely with ICBF to support improved livestock breeding.



- The Department, in consultation with the industry, farm organisations and other interests, will explore the possibility of including a cattle breeding measure in the RD programme 2007-2013.
- A strategic plan will be produced for the long term development of all aspects of the sheepmeat sector, from breeding and production to processing and marketing.
- The pig and poultry sectors will be examined in the light of the existing and emerging competitive market pressures with a view to securing efficiencies at production and processing levels.

Dairy

The medium-term outlook for the dairy sector will be one of strong expansion in global demand. Growth is expected to be strongest in Asia, Latin America and the Middle East, with demand in developed countries, including the EU, expected to remain strong. EU operators will be competing with New Zealand and Australian exporters for a share of the import requirement of expanded trade in developing countries. In this regard, the trend towards concentration and globalisation of the industry and greater differentiation of dairy products will be key drivers of securing increased market share.

The Prospectus Report highlighted the structural deficiencies in the Irish dairy sector and concluded that the industry is facing major challenges and needs to make significant changes to its market and product focus, to its configuration, efficiency and long-term competitiveness. Similarly it is necessary at primary level to secure increased scale and greater levels of efficiency.

Internal EU reforms have reduced institutional prices and have impacted directly upon stock retention and export competitiveness. Intervention stocks of butter and skimmed milk powder have declined, as have export refund supports. While the production of traditional dairy products will remain the key output of the Irish dairy sector there is a clear need to shift the focus of production decisions towards product innovation and added value.

The Agri Vision 2015 Committee concentrated in its recommendations on the operation of the quota regime, emphasising that "milk quota policy should not be allowed to become a serious obstacle to the maintenance of competitiveness in the dairy farming and milk processing sectors". EU milk production is limited by reference quantities in each Member State and the Luxembourg Agreement extended the present quota arrangements until 2014/15, with a review to take place in 2008/09. Considering the balance of opportunities and threats which arise from the review due in 2008/09 and WTO liberalisation on the one hand, and the global demand for dairy products on the other hand, it is now opportune to address the future of quota management within the broader dimension of world market competitiveness and the need to consolidate and increase Ireland's share of world dairy markets.

- At EU level Ireland will continue to negotiate an appropriate support framework that will secure a competitive milk production sector within the EU and improved export competitiveness on world markets.
- Consolidation has taken place at processing level in line with Prospectus recommendations. The main recommendations of the Prospectus Report, however, remain to be implemented. This is primarily the responsibility of the processing sector. The Department will continue

to engage with the processing sector to achieve optimum configuration within the sector especially in terms of scale.

- The Department and state agencies will promote and support continued and increased investment in R&D and market development.
- Measures to support, through milk quota allocations, the development of high value and specialist milk products by small scale operators, will be strengthened.
- The current two year quota restructuring programme will continue in 2006.
- A substantial change in the quota restructuring system will commence on 1 April 2007. In association with stakeholders, arrangements will be made to introduce an open-market system of transferring quotas designed to facilitate consolidation of holdings, increase efficiency and contribute to more competitive milk production.
- Teagasc will continue to assist farmers in optimising their returns from dairy enterprises including efforts to increase the protein content of milk and meeting environmental requirements.
- DAF will support ICBF in the development and delivery of significant increases in the rate of genetic improvement of dairy cattle through a combination of improved breeding schemes, electronic DIY milk recording, genetic evaluation and information services to all sectors of the industry.

Forestry

Forestry represents a most important element of land use policy in Ireland where less than 10% of agricultural land is afforested compared with an EU average of 35%. Its contribution to rural, social and economic development, enhancement of the natural environment, recreation and energy and its specific contribution to Ireland's Kyoto obligations make it an increasing part of the agri-industry in Ireland. The appointment of a Minister of State with special responsibility for forestry in the Department of Agriculture and Food is evidence of the Government's continuing commitment to sustainable forestry in Ireland.

The long term positioning and objectives of forestry in Ireland are currently being assessed. In particular the nature and extent of the necessary support

resources for this sector are being reviewed to maintain forestry as an effective land use option and to ensure cohesion between the various elements of agricultural policy.

The non-timber benefits of forestry must be recognised more explicitly and the range of end uses of forest products such as particle board products for use in construction as well as energy production will be further developed in support of Government objectives of rural development, increased competitiveness and greater value-added returns.

- DAF, in conjunction with the Forestry Liaison Group, will complete its review of the long-term objectives for forestry and ensure that the range of Government supports in place for forestry development in Ireland are suitable and appropriate.
- The forestry funding programme for 2007-2013 will ensure that farmers who might wish to afforest all or part of their land can make their decisions on the basis of continued commitment of the Government to forestry. This commitment will be consistent with and complementary to other land based supports.
- A new annualised planting target will be established which maintains the necessary critical mass of production to secure the development of the timber industry well into the next decade.
- DAF will launch a major forestry promotion campaign in 2006.
- The IFORIS programme will be in place in 2006 to ensure that forestry grants and premium payments are managed by an effective IT system.
- DAF will complete its national inventory of forest production in 2006 and will develop further inventory information, particularly in regard to wood biomass production.
- Teagasc will put in place an integrated advisory and research programme to encourage greater development of forestry.
- New market opportunities for thinnings will be developed, particularly in relation to renewable energy.



- Support for the better management of the forest estate including pruning, thinning, training, reconstitution and forest roads will be considered.
- Support for the native woodland, neighbour wood schemes and broadleaves products will continue.
- The commitment to adequate research and development in the forestry sector will be maintained.
- Support schemes for equipment in thinning, harvesting and the production of wood biomass will be actively pursued in 2006.
- A grant scheme for the installation of wood burning stoves is being launched by the Department of Marine and Natural Resources in support of increased use of renewable energy in Ireland.
- Protection of the health of forest estate from biological or other threats will be strengthened.

Biofuels

The agri-food and forestry sectors are the source of most renewable energy materials which can be transformed into a range of environmentally friendly biofuels. Possible agriculture based raw materials include oilseed rape, wheat and sugar beet (for liquid biofuels), forestry by-products and other farming and food processing by-products such as meat and bone meal and tallow.

Renewed attention has focused on the potential of biofuels due to the convergence of a number of factors such as the increasing cost of oil, the

volatility of oil supply and the need to reduce carbon dioxide emissions. In addition, the recent CAP reform enables farmers to consider new farming opportunities, which can add to the value of agricultural production. DAF has accordingly given considerable attention to this area and has contributed to policy development at inter-departmental level.

DAF recognises that the production and utilisation of agricultural products for this purpose can only be sustained in the longer term if biofuels generate a more favourable return than more traditional market outlets. It is also recognised that at present without specific assistance the economic viability of biofuel production remains difficult. The extension in Budget 2006 of excise relief to cover 163 million litres of biofuels annually will help drive additional demand for crops for biofuel production. From an agricultural perspective DAF has identified areas for research as well as announcing initiatives especially in the area of forestry and short rotation coppice.

By-products of food processing industries can be recovered and used in various ways as biofuels. Annual production of meat industry by-products amounts to some 520,000 tonnes, which were rendered into about 140,000 tonnes of meat and bone meal (MBM) and 84,000 tonnes of tallow. As there are no disposal outlets in Ireland, currently almost all MBM produced here is sent to other Member States for incineration or co-incineration in cement production or as fuel in power plants. One power plant in Ireland and one cement company are actively pursuing the use of MBM as a fuel in a co-incineration process with fossil fuels. There are significant opportunities for use of these by-products as bio fuels. If successful, this would convert a current cost to the agri-food sector into a gain and also benefit the environment because of the low emissions levels of CO₂.

- DAF will continue to contribute to the development of policies on biofuels, especially having regard to further advances in technology.
- DAF will engage actively with the development of EU policy on biofuels and will, in particular, promote and seek improvements in the energy crops scheme.
- The Research Stimulus Programme will be used to encourage research projects on biofuels and other non-food use of crops. Teagasc will also commit additional resources to this area.
- DAF will continue to facilitate the use of tallow as a biofuel in thermal boilers in rendering plants and larger meat plants to provide energy.
- DAF will introduce procedures for the conversion of tallow to biodiesel.
- DAF will seek EU approval for a new scheme of supports to encourage the harvesting and processing of biomass from forests and otherwise promote the use of wood biomass as a source of renewable energy.
- DAF will launch a pilot project on willow planting to evaluate further its potential from a bioenergy and waste disposal viewpoint. The potential of miscanthus as a biomass crop will also be explored.
- DAF will promote the use of emerging technologies such as anaerobic digestion and fluidised bed combustion.

Crops

Over two-thirds of the grain produced is used for animal feed purposes and the remainder is used as a raw material for the brewing, distilling and flour milling industries. With the introduction of the single farm payment, production in the future will be based on profitability of the crop. Improved efficiency of production will be important to maintain incomes and to ensure that the volume of output is maintained. In the medium term prospects for cereals should become increasingly influenced by policies on biofuels.

- The variety evaluation and seed certification and testing services provided by DAF will be enhanced to improve the efficiency, quality and viability of cereal production.

- The regulatory regime for plant protection products will be further developed and implemented to ensure the highest standards of plant health, food safety and consumer protection are achieved.
- DAF will put in place comprehensive co-existence arrangements to enable conventional and organic crops co-exist with genetically modified crops.
- DAF will encourage industry initiatives to improve the safety and quality of grain.
- Teagasc will continue to assist farmers in optimising their returns from cereal enterprises through its research, training and advisory services.
- In the light of the modifications secured in the sugar reform arrangements, decisions on the future production of sugar and sugar beet will be made by the producers and processor.
- The Government will take the necessary steps to implement the compensation arrangements for the sugar sector, in accordance with EU Regulations.

Horticulture and Potatoes

Horticulture, including potatoes, is a significant entity within the overall agricultural industry. It is a sector that produces a wide range of both edible and ornamental produce and has the potential for growth in some of its produce areas leading to further import substitution and exports. The importance of fruit and vegetables in a healthy diet will increase fresh produce consumption while changing lifestyles and developments in the catering sector will give rise to increased demand for processed and semi-prepared produce.

Changes in the policy environment at EU will lead to changes in land use which opens up opportunities for the sector. At the same time high labour and energy costs pose significant challenges for the sector. Improved labour productivity and market penetration across all horticultural crops is necessary in order to give an adequate return on the high capital investments made in the sector.

- The interests of Irish producers and consumers will be maximised by DAF in the negotiations on the future reform of the common organisation of the market in fruit and vegetables. The aim will be to strengthen the role of Producer Organisations in the supply and marketing of fruit and vegetables to give them influence in a market dictated by the multiple retailers.



- DAF will provide grant support strategically targeted at horticultural projects in production, processing and marketing and aimed at improving the overall development and competitiveness of the sector.
- DAF will support all year round production of horticultural products to meet the increased demands of Irish consumers.
- Teagasc will target its programmes in research, advisory services and training at underpinning the competitiveness of the commercial horticulture sector.
- Bord Bia will continue to implement its Quality Assurance Programme for vegetables and potatoes and, in conjunction with industry stakeholders it will strongly promote the importance of fruit and vegetables in a healthy diet.
- DAF will implement efficient and effective potato variety testing and seed certification services to enable Ireland maintain its high grade seed area status and foster the development of a competitive seed potato sector.
- The recommendations of the Mushroom Task Force will be implemented, as far as possible, to ensure that the industry is put on a solid footing and can exploit the potential for further growth in exports.

Organics

Although consumer demand is growing, the sector remains small by European standards. At the end of 2005 there were 1,090 registered operators with

less than 1% of farm land in organic production. The Irish organic market is estimated to be worth €38 million (2003 figures) or less than 1% of the total retail food market and is growing at approximately 8% per annum. It has been difficult to achieve the necessary critical mass for optimal development in such a small market. In Europe as a whole, the organic market is worth €21 billion and has been growing at a rate of 26% per annum in recent years. Market analysts suggest that this market is likely to grow rapidly as consumers focus on quality and make more ethical purchases.

The decoupling of direct payments from production gives farmers more freedom to explore new opportunities and different enterprises, and the organic sector undoubtedly has potential to expand over the coming years on both the domestic and export markets. The main financial support for organic farmers is through the organic supplementary measure of REPS. The growth of farmers' markets also offers an important new outlet for smaller organic producers.

- DAF will promote the development of the organic sector by direct support to organic farmers and also by grant aid for investment, both on-farm and off-farm.
- DAF will strengthen the processing and retail representation on the Organic Steering Group to specifically enhance the commercial focus of the organic sector. The experience of other countries is that retail driven development is critical to the growth of the organic sector.
- In relation to the organic industry, REPS will have a twin objective in the next programme, to be more attractive to organic farmers and also to aim to maximise organic output.

- DAF will work with the organic farming bodies and other stakeholders to maintain consumer confidence in the integrity of organic produce.
- Farmers' Markets will be encouraged through practical advice and support from An Bord Bia and the Department.
- Teagasc will work with DAF and the farming community to ensure that farmers are well informed about the opportunities that exist in the organic sector. To this end Teagasc will enhance its organic advisory, research, demonstration and training activities.



6. Promoting a Sustainable Future

“Meeting the current needs of the total agricultural sector without compromising the long-term development potential and viability of future generations”

Minister Wallace at Balrath Wood.

Promoting a Sustainable Future

Sustainable agricultural development is an approach that ensures the current needs of the sector are met without compromising the long-term development potential and viability of future generations. Its main elements include a strong competitive focus, as already discussed in Chapters 2 and 5, high animal health and welfare standards, environmentally sustainable production methods, the provision of public goods such as clean water, retention of rural amenities and landscape, wild life habitats, and biodiversity, as well as the maintenance of vibrant and active rural communities. This multi-functional approach is embodied in the European model of agriculture which recognises the interdependence of economic, environmental and societal factors.

It is accepted that besides providing inputs for the agri-food industry, agriculture and forestry have a significant role to play in producing a variety of public goods. For example, sustainably managed forests play an important role in the provision of public goods, such as carbon sequestration, renewable energy, biological diversity, amenity and recreation. Exchequer and EU support for the agricultural sector is increasingly focused on paying for the production of public goods, which would otherwise be under-provided. Public acceptance of this role for the CAP requires continuing assurance to the consumer and the taxpayer of the real benefits it delivers.

There are a wide range of public interventions of this sort, but the most significant and resource intensive are those related to animal health and welfare, and the rural development schemes. Animal health involves very significant numbers of staff from DAF and other public agencies in monitoring and eradication activities which protect the health of consumers, reduce economic losses from disease and underpin the acceptability of our food products on export markets. The rural development schemes currently absorb public expenditure of the order of €800m per year on measures which are focused on land use and the protection and enhancement of the environment. These schemes are co-funded by the EU but involve significant national discretion and increasing commitment by the Irish taxpayer.

- The Department will develop and implement appropriate strategies and actions for the agriculture sector, in line with the National Biodiversity Plan, with the aim of meeting the EU target of halting the loss of biodiversity by 2010.
- DAF will continue to work towards the target for reduced emissions from the agriculture sector set down in the Government's Climate Change Strategy.
- DAF will engage with the Northern Ireland Department of Agriculture and Rural Development to maximise synergies on an all-island approach on research, animal health, crops, forestry and other areas of mutual interest.
- Using the key principles contained in the report from Comhairle na Tuaithe, the Dept. of Community, Rural and Gaeltacht Affairs will seek agreement on the issues of access and countryside recreation.
- The Department will provide ongoing assurances of the effectiveness of the cross-compliance requirements of the Single Payment Scheme to the European Commission and to the general public.
- The high-level review of forestry policy will be finalised in 2006. This review will include consideration of the public goods aspect of the forest programme.
- The Department will add to its suite of environmental guidelines in the forest sector with the publication of Guidelines for Forest Recreation and Guidelines for the preparation of Environmental Impact Assessments and will legislate for the control of aerial fertilisation.

Animal Health and Welfare and Plant Health

A sustainable agri-food sector is underpinned by high animal health standards that safeguard consumers and retain consumer confidence in safe food. Current animal disease control measures have achieved steady reductions in the incidence of diseases of national economic significance such as TB, Brucellosis and BSE. It is essential that the progress made, by farmers and state agencies working together, is built



on and that the programmes are backed up by robust traceability and veterinary medicines regimes so as to retain consumer confidence and maintain and continue our presence on EU and international markets. In addition, ongoing contacts will be maintained between the respective administrations in Dublin and Belfast on the development of common approaches to animal health issues.

The need to maintain a high level of animal welfare at farm and other levels is well recognised. The farmer is the primary custodian of animal welfare standards and exercises this role with great care and success in the majority of cases. The Farm Animal Welfare Advisory Council (FAWAC) will continue to focus attention on welfare of farmed animals to promote high standards. In addition, the Department together with the farm bodies and the ISPCA will continue to co-operate on early intervention measures and on the management of animal welfare problem cases. The Department accepts the need to strengthen arrangements to protect animals being transported.

Ireland has a high plant health status. Under national and EU legislation monitoring and control programmes are in place to prevent the introduction and spread of a number of harmful plant and forest pests. Our island position gives us significant advantages in maintaining our high plant health status and for economic and ecological reasons it is important that it is maintained.

- DAF will strengthen policies, and in particular continue the vaccine research project, aimed at containing the incidence of TB to enhance consumer safety and trade.
- Effective Brucellosis and BSE programmes will be continued, and focused on the aim of early eradication of both diseases.

- In the short term, scrapie surveillance will continue for sheep and goats so as to identify and deal with affected flocks. Following consultation with relevant interests, a genotyping programme for sheep will be introduced to promote production of scrapie resistant sheep thereby providing further reassurances to consumers.
- The Department will encourage and support the development of industry led initiatives to further improve animal health by implementation of measures to control a range of production related diseases in cattle, sheep and pigs.
- Contingency Planning for significant disease outbreaks will be updated and further co-ordinated with industry stakeholders and other state agencies to enhance our capacity to deal with exotic diseases and pests.
- An enhanced national monitoring and control programme for harmful plant and forest pests will be put in place, based on risk analysis and using emerging science technologies.
- Liaison with other national bodies and research institutes will be increased with the intention of developing collaborative research and control programmes for quarantine organisms.
- Work will continue on the development of common policies on animal and plant health and animal welfare on an all-island basis with a view to ultimately achieving free movement of animals on the island.
- The veterinary medicines regime will be revised in 2006 and kept under review thereafter to take account of developments at EU level, to protect public and animal health and welfare and to promote competitiveness of Irish agriculture.
- The animal welfare early warning system will be reviewed on an ongoing basis to ensure that

it is achieving its objective of improving animal welfare by dealing with problem cases at the earliest possible stage.

- The new DAF Veterinary and Agriculture laboratories will be developed as centres of excellence and scientific knowledge to support and enable the effective operation of national and industry programmes on animal health, plant health and food hygiene.
- The Department will develop joint animal health and welfare research programmes with Third Level Institutions, Teagasc, farming organisations, and the veterinary profession. These programmes, centred on the new Central Veterinary Laboratory complex at Backweston, Co. Kildare, will focus on:
 - Surveillance for and control of Zoonotic diseases,
 - Surveillance for those endemic animal diseases that are of commercial significance, and
 - The enhancement of animal welfare compliance.
- ICBF will work in close collaboration with researchers and farmers to establish the potential of cattle breeding for reduced disease levels and enhanced animal welfare.
- A proactive approach will be taken to welfare issues and in particular a registration system and related measures for transporters of animals will put in place by DAF by January 2007 to improve conditions under which animals are transported and thereby ensuring the possibility of continuing the live trade.

CAP Rural Development

Since the late 1990s, rural development has been recognised at EU level as the “second pillar” of the CAP. Significant direct financial support was provided for a wide range of measures under the CAP Rural Development Plan and the two regional Operational Programmes of the NDP for 2000-2006. Rural areas also benefit from more general policy initiatives, and the “rural proofing” of major Government initiatives ensures that this receives appropriate attention.

The EU Rural Development support framework for 2007 to 2013 focuses on three priorities – the competitiveness of the agriculture and forestry sector, the enhancement of the environment and countryside, and the quality of life and diversification. CAP Rural development programming reflecting these priorities will channel national and EU support to rural areas. In this period, national funding will predominate.

Initiatives in other policy areas, such as transport, tourism and telecommunications, also have a significant impact on the economic and social status of rural communities and policies in these areas must take the rural development agenda into consideration.

- DAF, in conjunction with the Department of Community Rural and Gaeltacht Affairs, will publish a national Rural Development Strategy in mid 2006, following extensive consultation with stakeholders. This will set the principles for rural development support until 2013.
- The two Departments will seek EU approval for a detailed CAP Rural Development Programme in the latter half of 2006. This will involve significant policy and exchequer decisions for the period 2007-2013 for major schemes such as REPS, Forestry, Disadvantaged Areas, Early Retirement, Installation Aid and the on-farm investment measures. This programme will also encompass other measures targeted in the three EU priorities mentioned above.
- An ex-ante evaluation will be carried out on the Rural Development Programme to develop priorities for future measures. It will be vital to ensure value for public money in all the measures included in the programme and that public good benefits must be clear and measurable.
- It is envisaged that the 2007-2013 National Development Plan will also cover the development of alternative/supplementary farm enterprises including equine breeding and production.
- As the Government is committed to an integrated approach to rural development, the national RD Strategy and Programme will complement other policy initiatives that address the economic and social well-being of rural areas.

Environmentally Sustainable Production

The Rural Environmental Protection Scheme (REPS) is regarded as one of the most successful agri-environmental measures in the EU, benefiting not only farmers but also society in general through the preservation of the environment, improved water quality and the protection of biodiversity. Since the scheme was introduced in 1994, in excess of €1.8 billion has been paid to Irish farmers. The number of participants has been increasing and some 48,000 farmers were operating under REPS plans towards the end of 2005. However, in the new context of



cross-compliance, REPS must evolve further so that it enhances public goods rather than simply preserving what is already there. This is one of the challenge which must be tackled in the 2007-2013 Rural Development programme.

The development of environmentally friendly biofuels as a substitute for conventional fossil fuels presents a new and potentially significant opportunity for alternative land uses which are environmentally sustainable.

- In consultation with relevant stakeholders, a new agri-environmental scheme that pro-actively enhances environment and biodiversity will be developed by the Department for inclusion in the 2007 -2013 RD programme. It is anticipated that this will require a very significant commitment of exchequer resources.
- The Department will seek to ensure that the new agri-environmental scheme is operationally straightforward, with the minimum necessary burden of paperwork while ensuring proper controls on public funds and effectiveness in delivering public goods.
- In the context of the Nitrates Directive, the new Farm Waste Management Scheme, with broader eligibility and enhanced grant rates, will be implemented by the Department to increase on-farm slurry storage capacity and to protect water resources. This package includes funding rates above the norm for EU co-funded schemes. It will be available for all farmers, including for the first time pig and poultry producers, who are required to carry out investment works to comply with the Directive.

- A scheme of grant aid, demonstrating the advantages of innovative and emerging technologies in treating livestock manures, will be implemented.
- Teagasc will intensify its advisory campaign to support pig and poultry producers in the context of complying with environmental and animal welfare requests.
- DAF will support research and initiatives to monitor and ameliorate the impact of chemicals used in agriculture on water, air and on species inhabiting agricultural ecosystems.
- In consultation with the European Commission, the Department will develop a forestry programme for the 2007-2013 Rural Development period, which will underline the environmental values of forestry, including health, amenity and diversification.

Implementing the Action Plan

The Agri Vision 2015 Report and the NESC Strategy 2006 identified the critical importance of a strongly co-ordinated focus for implementing recommendations and strategies. This Plan of Action provides a clear blueprint for action, but effective, integrated implementation requires that all stakeholders, Departments, State Bodies, farmers and industry take responsibility for implementing the various actions and initiatives set out in this Plan.

This is an ambitious Plan, which is based on the competitive realities facing the sector over the coming years. Successful implementation will require new thinking and approaches from many of those involved in the sector. It is therefore vital that all stakeholders commit themselves to making the necessary changes and pursuing the priorities set out in this document.

- Progress on the implementation of this Plan will be assessed each year in the Annual Report of the Minister.
- DAF will review its current structure and operational strategies in 2006 to consider what changes may be required to reflect the new priorities set out in this Plan.
- Teagasc and Bord Bia will also consider the implications of this plan for their organisations.
- A forum involving the main stakeholders, including farmers, processors, consumers and retailers, as well as relevant public bodies, will be established to consider key issues for the future of the sector. The forum will also receive progress reports on the implementation of this action plan and will focus in particular on the role of the private sector in fulfilling its objectives.

7. Implementing the Action Plan

“It is vital that all stakeholders commit themselves to making the necessary changes and pursuing the priorities set out in this document”



