

Submission to Joint Oireachtas Committee

Introduction

Thank you for inviting us to this Joint Oireachtas Committee Meeting. The reason for being here today is to inform you about the risk to the Irish Mushrooms Industry of losing one of its critical inputs, namely local mushroom casing peat.

The availability of high-quality Irish mushroom casing peat has been vital to the growth and development of the Irish mushrooms industry over the last 50 years.

Mushrooms are Ireland's largest edible horticultural crop by value, and the only crop with sizable exports. Irish mushrooms account for circa 50% of UK retail mushroom sales.

Mushroom production is undoubtedly the best example of a circular bio-economy industry, utilising local natural ingredients, i.e., straw, poultry litter, casing peat to produce a high value nutritious food.

We believe that it is essential that the Oireachtas introduce a legislative framework for an appropriate environmental licensing regime, to facilitate the continued harvesting of specialist horticultural peat for commercial users.

Bio – Mel O'Rourke

Mel O'Rourke is Interim CEO of Commercial Mushroom Producer Co-op Society Ltd (CMP).

CMP is Ireland largest EU recognised producer organisation representing 22 growers with annual sales of €125 million.

Mel has worked in the mushroom industry in Ireland and worldwide for 35 years. Mel established International Spawn Ltd to be the largest supplier of mushroom spawn in Ireland and with a considerable market share in the UK and Europe. Following its acquisition by Sylvan Inc, Mel became Managing Director of Sylvan Europe, the world's largest manufacturer of mushroom spawn.

Mel has also served on the Board of Board Bia and chaired the Organic Focus Group.

Bio – Frank Corbally

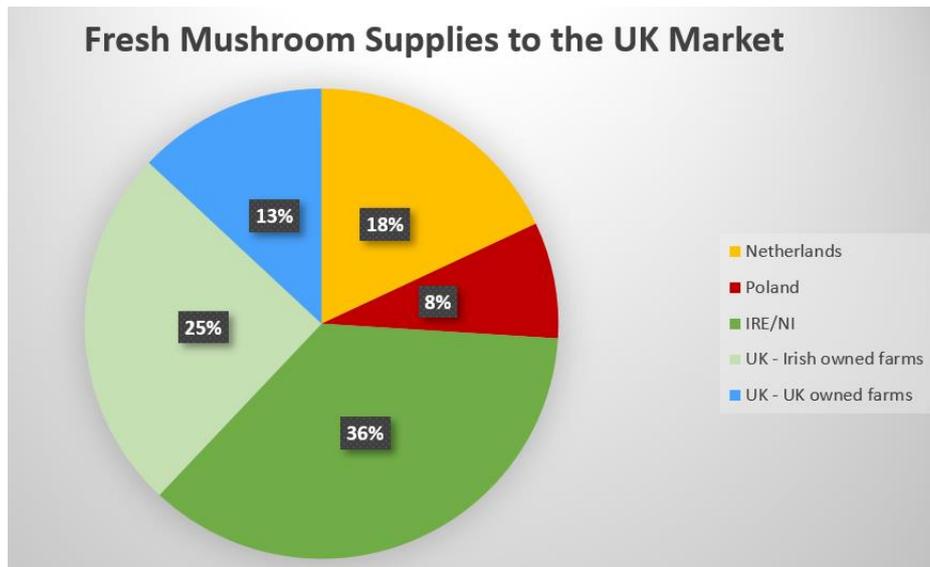
Frank Corbally has worked in the food and horticultural industry in Ireland, the UK and Europe for 30 years.

Frank is a consultant to EU Fruit and Vegetable Producer Organisations in Ireland and the UK. He has in depth business knowledge of all sectors of fruit and veg horticulture, both protected and field production.

Reasons for competitive advantage of Irish mushrooms:

Core elements of the competitiveness of Irish Mushrooms Industry are:

- Quality Compost,
- Quality Mushroom Casing
- Temperate Climate
- Grower Expertise
- Labour Availability



Reasons for uniqueness of Irish peat suitable for mushroom production:

- It is deep dug, it is not allowed to dry out, thus not impacting its water retention capacity.

Urgent Action required

It is widely observed that the planning acts have never working well for recurring acts of work like peat harvesting, quarrying, or dredge maintenance of flood drains etc. Licensing is logically a better fit than planning control for a process where ongoing environmental management and rehabilitation plans are required.

Other European countries, operating under the same EU environmental requirements, have appropriate licensing for sustainable peat extraction. The current planning and licensing regime facing the horticultural peat industry in Ireland, can only be described as a systems failure. No operator has appropriate planning or licensing in place.

The current strategy regarding future management of Irish peatlands as if affects Irish horticulture is not aligned with the new EU Farm to Fork Strategy or indeed the new EU Bio-diversity strategy.

We agree with the conclusion of the Just Transition Commissioner in his interim report. Section 5.7 of this report on Planning / Licensing for the future includes the following;

If we are to encourage and support investment in the Midlands and other areas, then some fast track 'one-stop-shop' arrangement needs to be considered for planning, licensing and regulatory compliance. Greater cohesion and coordination needs to be developed. I am not advocating any diminution in legal, planning or regulatory obligations, environmental standards, pollution, carbon or climate change/control requirements. But I am recommending that this issue be addressed as a matter of urgency. It could be an enabler to enterprise investment with potential positive employment creation outcomes.

We understand that legal solutions have been proposed to address the impending crisis that the lack of Irish peat will cause to the Irish horticultural industry.

We would urge the deputies and senators here today to act on these solutions.

It is critically important that the Oireachtas introduce a legislative framework for an appropriate environmental licensing regime, to facilitate the continued use of specialist Irish horticultural peat for commercial users.

Mushroom Industry Overview

- Since the 1960s peat has been harvested in Ireland as a plant growing medium or substrate for the growing of mushrooms and the propagation and production of other horticultural plants.
- Peat varies in quality and density, depending on the bog and the depth from which it is harvested. The various horticulture crops require significantly different mixtures of peat depending on their specific requirements.
- The mushroom sector is the largest horticulture sector in Ireland with a farm gate value of more than €125 million (2020 figures). It employs over 3,000 people on 45 large mushroom farms producing 65,304 tons of mushrooms per annum, over 80% of which is exported to the UK. The principal growing substrate used to grow mushrooms is compost which is produced from a mixture of wheat straw and chicken manure. A thin casing layer is then placed on top of the compost which is a combination of virgin peat and ground limestone. The casing layer is approximately 5cm deep. The casing layer is essential to create the correct environment for the mushroom fruit bodies to grow.
- The depth of compost on a mushroom growing shelf is approximately 20 cm with a 5 cm layer of casing material covering, as per Figure 1 and 2 below.

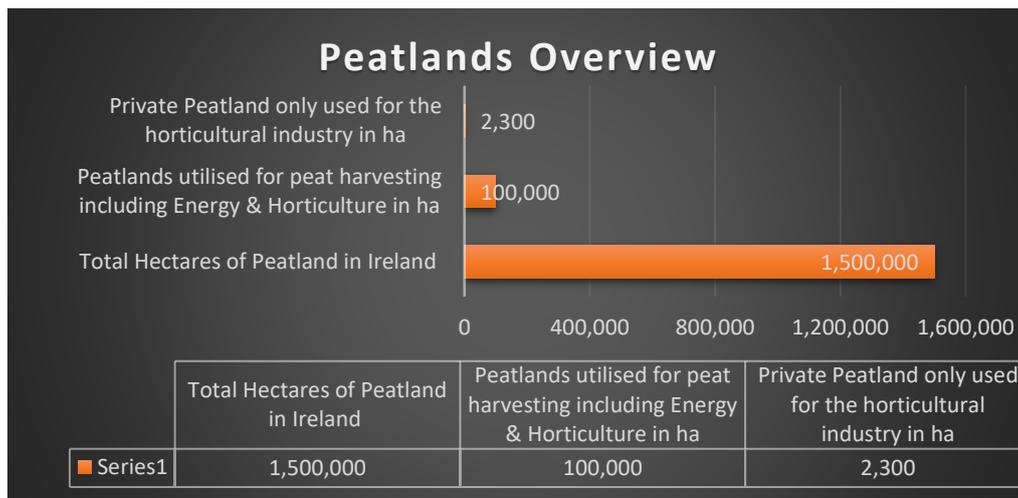


Figure 1: Shelf of Substrate



Figure 2: Mushrooms on Shelves

- It should also be noted that there is a significant export market for peat-based mushroom casing which in addition to supplying international customers, supports Irish owned/managed businesses in, Great Britain, Europe, and North America.
- We estimate that peat usage for the Irish mushroom industry is 153,000m³ per annum.
- The below bar chart gives a clear overview of how little the Horticultural industry needs to maintain a viable industry it is 0.15% of the total peatlands in Ireland.

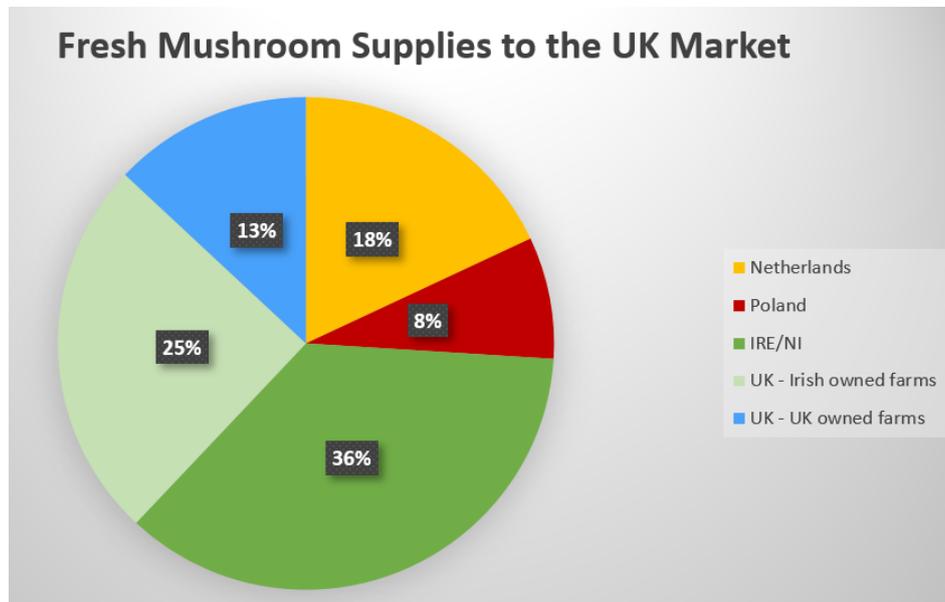


- Despite extensive global research to date no viable alternative to peat based mushroom casing has been commercialised and without mushroom casing no mushrooms can be produced.
- CMP are carrying out research into peat alternatives and peat minimisation for the mushroom industry. Teagasc are to commence a four-year project researching alternatives. The European mushroom industry, working with Wageningen University in the Netherlands, have and continue to carry out research into alternatives.
- **One should remember that mushrooms, like strawberries are classified as “Ready to Eat” by the Food Safety Authority.**
- The physical, chemical and unique biological composition of peat makes it an ideal and **safe growing medium** for use in the food sector and any alternatives must be equivalent to or better than peat to ensure the long-term sustainability and safety of horticulture food production in Ireland. Alternatives must also have a lower or equivalent environmental footprint.
- The peat alternatives that are used in the non-food sector include composted green waste, wood bark, wood fibre, perlite, vermiculite amongst other materials. Some of these may have food safety risks that requires additional management. All these alternatives carry their own environmental footprint.

Mushroom Industry Republic of Ireland 2021 /Current

Post Brexit Position

- Total production of mushrooms in 2020 was 65,304 tons per annum.
- Value of crop at farm gate is €125,000,000 per annum.
- 85% (56,000 tons) of Irish Mushrooms are exported to the UK.
- €160,000,000 per annum at retail value.
- Majority of Irish producers export 100% of their production to the UK.



Mushroom Industry Scale

- Mushroom growers are large scale rural enterprises.
- Typically employing 20 to 100 full time employees.
- Turnover in range from €1 - €10 million per annum.
- 6 growers less than €1m, 16 growers between €1 – 3.0 m and 14 growers over €3.0m turnover.
- Total direct employment in mushroom growing sector is 3,000.
- In comparison, a top-class dairy farm of 200 cows with approximate turnover of €555,000 per annum has full time equivalent employment of 3.0 labour units.
- There is no alternative use for capital intensive and specialist mushroom growing units.
- The capital costs of a new mushroom farm using 108 tonne of compost per week and growing 38 tonnes of mushrooms is over €4 million, before site costs.
- This investment has all been supported by DAFM funding.

Longer Term Impact of Increased Costs due to imported peat.

- Previous increases in costs have led to a loss of growers in rural Ireland where alternative employment opportunities are scarce.
- Prospect of terminal decline in Irish mushroom production due to Irish Government Policy increasing the cost base further versus competing countries, especially Poland.

Immediate Action to Support Industry

- Irish peat has unique characteristics both from a water holding capability and biologically that form one of the foundation stones for the success of the Irish mushroom industry.
- Further investment in the industry will be difficult to justify if locally harvested peat is no longer available.
- We recommend that a Legislative Framework be put in place to bring certainty for the provision of local peat to sustain production of edible horticulture.

- In order to avoid an eminent crisis in the mushroom and field horticulture sectors this needs to be achieved as a matter of urgency.

Mel O Rourke.

12th February 2021