

IRISH ORGANIC ASSOCIATION

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OPENING STATEMENT

The Irish Organic Association wishes to thank the Cathaoirleach and the Committee for the opportunity to speak today about organic farming.

Irish Organic Association

The Irish Organic Association is a member-owned, not-for-profit company that has been at the forefront of the organic movement in Ireland for the past 40 years. The Irish Organic Association is an accredited certification body that covers the entire island of Ireland to provide organic certification for food and feed, as well as industrial products. Organic regulation and therefore certification, covers the entire supply chain, from farm to retail, requiring rigorous system verification to ensure compliance with the overarching EU organic regulations. Organic regulations have been developed over many years since it was first legislated by the EU in 1991. Organic is defined in law and is the only agroecological farming method with a legally ensured guarantee system. The ongoing development of the regulations has resulted in comprehensive standards that have evolved around achieving sustainability at every stage of production, from permitted inputs on farm to prohibited additives in food processing. Its strict controls and inspection at each stage rewards operators with the use of the EU Organic logo, which has gained global recognition with consumers.

The Irish Organic Association is represented on various committees and panels including the CAP Consultative Committee, Ireland's Rural Development Monitoring Committee, the International Federation of Organic Agriculture Movements and the National Organic Strategy Group. In addition, the Irish Organic Association is the lead partner of the first European Innovation Partnership (EIP) to include market orientation in its project titled; Maximizing Organic Production Systems (MOPS), due to be completed this year. The project has successfully demonstrated the effectiveness of collaborative approaches to tackle import substitution to supply the exponential increase in demand for Irish grown organic produce.

Organic Food Sales

The growing demand for organic produce amongst EU consumers is a good news story for the agri-food sector across Europe and an opportunity for Irish food business. Demand continues to grow, recording consecutive years of double-digit growth in grocery sales. EU retail sales have doubled in value in the last 10 years,

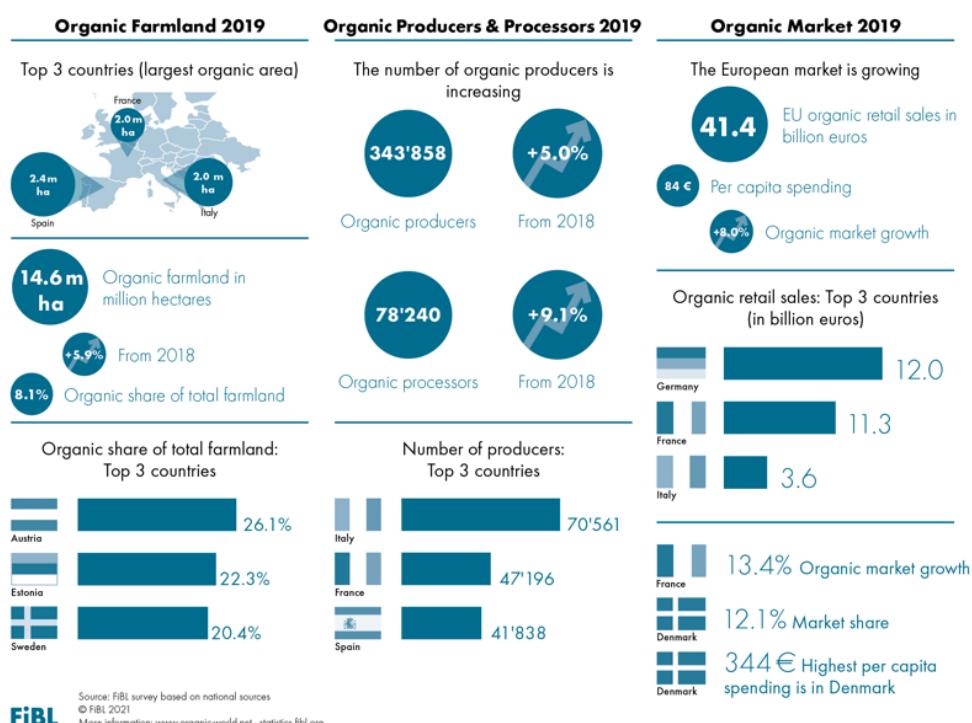
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from €18 billion in 2010 to €41 billion in 2019. Bord Bia reporting projects that EU organic food sales will reach up to €86 billion by the end of 2022. Global sales are also expected to increase from €110 billion to €225 billion. While organic production has also developed significantly in many EU countries, demand continues to outstrip supply in key markets.

Organic Agriculture in the European Union 2019



In Ireland, conservative estimates of organic food sales in the retail multiplies (i.e., excluding direct sales, independent retailers, food service and exports) show demand has more than doubled in value over the last decade from €99 million in 2010 to €206 million in 2019. Bord Bia reporting shows that Ireland has seen a 16% increase in Irish food sales up to the beginning of September 2020. All key food categories recorded increased sales during that period, vegetables (17.9%), dairy (8%), fruit (19.9%), ambient (22.2%), meat (32.6%) and poultry (20.4%).

Furthermore, Ireland's four main export destinations namely; UK, Germany, France and Italy represent two-thirds of the EU organic food retail sales (see figure below). While Europe prepares itself to meet the targets of the European Green Deal, Farm to Fork and Biodiversity Strategies by significantly increasing its organic food production, it is also formulating itself for a significant rise in organic food sales.

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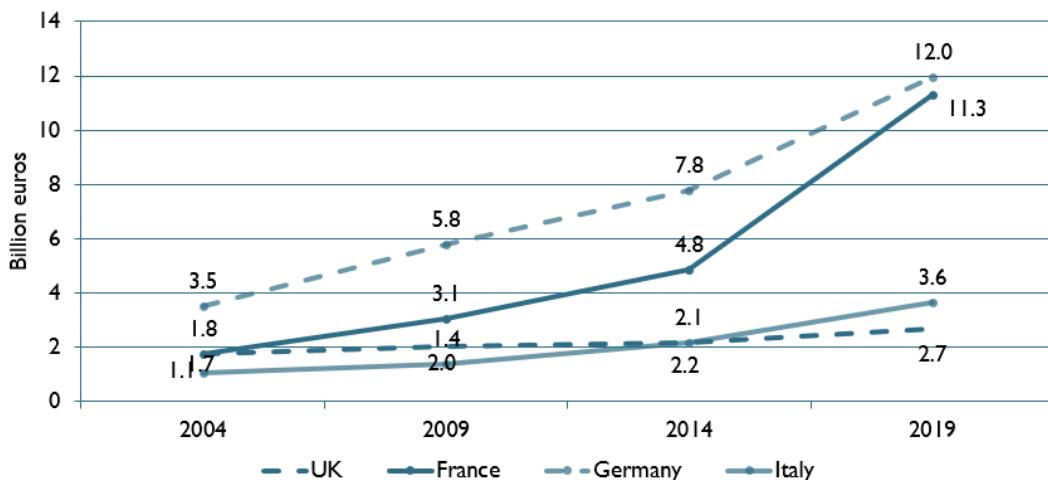
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European Union: Market development in selected countries

2004-2019

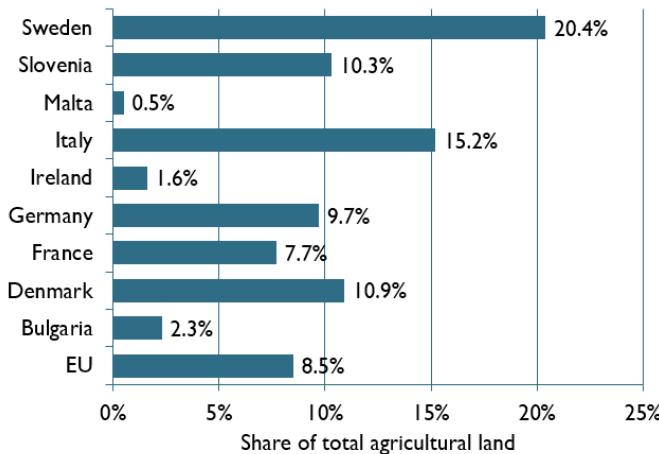
Source: AMI, Germany; Agence Bio, France; AssoBio, Italy; Soil Association, UK



As part of the European Green Deal EU funds have been increased in line with the ambition for meeting its targets. Both research and promotion of organic food also have significant funds available to support the Green Deal objectives. This is coupled with an EU Organic Action Plan which brings together far-reaching food, agricultural and environmental policies and targets, to provide that all-important pull-push effect for purposeful development of organic production. Meanwhile, Ireland with its 'clean green' image has the second-lowest organic farmland production in the EU, while land area support payments are well below the EU average spend according to research from the Thünen Institute.

European Union: organic share of total agricultural land in selected countries 2019

Source: Eurostat



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The organic sector

Despite the market potential, there remain several barriers to the development of organic food and farming in Ireland. While the markets are clearly there, medium to long-term planning is required by farmers and agri-food business to take full advantage of these opportunities. Although a National Organic Strategy exists for the development of the sector, it needs to correlate with a planned and supportive CAP, which is currently falling short of any real incentive for farmers. It also requires a robust marketing campaign with funds reflective of its true potential, and in line with the rest of the EU. It requires advisors with knowledge on organic systems that understand that it is not as simple as cutting out the synthetic fertiliser. Possibly most important, it requires recognition that organic farming systems are not some pre-industrial revolutionary farming approach. Instead, it is in fact a complex and scientific agro-ecological method that works sustainably with nature and provides farmers with a reasonable standard of living because consumers are actually prepared to pay that bit extra for food produced in this way.

The need for a more supportive policy environment

A supportive policy environment plays a critical role in backing the sustainable development of the organic sector both at the level of supply and demand. Regrettably, Ireland has one of the lowest shares of organic farmland in the whole of the EU (1.6% of the UAA in 2019 – 26 out 27 Member States just above Malta). Indeed, while the Irish organic land area has increased by 42% since 2014 this increase is well below Ireland's original target of reaching a 5% share by 2020. With the Programme for Government committed to reaching the EU average by 2027 (8.5% in 2019), the Irish Organic Association is convinced that this can only occur if Irish agri-food policy is being fully deployed to capitalise on the organic market demand. Recent recommendations from the European Commission on Ireland's CAP Strategic Plan have also pointed to the need for significant efforts to be made to increase the organic farmland area including steps to support market development.

The current National Organic Strategy 2019-2025, sets out many objectives and actions for the organic sector and key sub-sectors. However, for the sector to have any real chance of reaching its full potential the Strategy needs to be reviewed and aligned to the EU's new Organic Action Plan (March 2021). This plan aims to stimulate production and processing and boost organic consumption as part of efforts to reach the European Green Deal target of 25% of organic farmland across the EU by 2030. Implementation of a revised National Organic Strategy in Ireland also requires the necessary resources to be made available, with close monitoring of the progress on reaching its objectives and stakeholders being made fully accountable for the actions to which they are responsible. In terms of specific policy measures, particularly in the context of the development of the CAP Strategic Plan, the Irish Organic Association wishes to highlight the following sector needs.

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1. An attractive and reliable Organic Farming Scheme (OFS) is critical to increasing the number of organic farms. It plays an important role in compensating new convertors and existing organic farmers for internalising the environmental costs of production which are not fully renumerated through existing markets. In particular:
 - the OFS must be backed by a budget corresponding to Ireland's organic farmland target set; and
 - opened annually for a reasonable period for farmers and food business to have certainty as they assess their options.
2. Incentivise organic farmers to further increase their sustainability performance beyond that of the organic regulation through fair and open access to all environmental and climate schemes. Too often organic farmers are excluded from participation in relevant schemes or cannot combine organic and environmental payments. This sends a mixed message to the organic sector in terms of its role in contributing to Ireland's sustainability objectives and commitments. In particular:
 - Organic farmers must have priority access to Pillar 2 agri-environment-climate schemes, eco-schemes and other relevant schemes alongside the OFS; and
 - Clarity is also needed on the justification for why some environmental/climate and organic payment combinations are classified as double funding.
3. Organic supply chains need to be developed both at home and abroad. Organic farming can clearly make an important contribution to further consolidate Ireland's 'green clean' credentials. However, to do that Ireland should be at the forefront of investing in organic value chains both in the food and non-food sectors. The development of the domestic organic supply also has a key role to play in supporting more sustainable diets and purchasing across the island. In particular:
 - Strategic planning is needed to promote organic consumption domestically and in markets abroad, including making full use of EU and national funding
 - Setting targets to boost the organic procurement in public canteens and through school food schemes
 - Consider taxation and other policy incentives, which can encourage the purchasing of organic food in the private sector food service.

References and further reading

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