

**Opening Statement  
Department of Agriculture, Food and the Marine  
to the Joint Oireachtas Committee on Agriculture, Food and the Marine  
Tuesday 22<sup>nd</sup> June 2021**

**Organic Food Sector in Ireland**

Thank you Cathaoirleach for the opportunity to address the Committee today and outline the Department's policies and supports for the organic food and drinks sector in Ireland. This is an area of increasing priority and ambition for the Department and it is useful to take stock and hear from all stakeholders on how we can collectively realise that ambition.

The organic sector in Ireland, whilst a relatively small component of the overall agri-food sector with approximately 1.8% of the land area under organic production, is experiencing considerable growth at present. The area of land under organic production is now at approximately **74,000 hectares**, an increase of nearly **50%** since 2014. This has primarily increased because of the expansion of the Organic Farming Scheme under our current Rural Development Programme.

However, land farmed organically in Ireland is still extremely low when compared to other EU member states with our average at 1.8% compared to an EU average of 7.5%. There is a commitment in the Programme for Government to achieve this EU average in the lifetime of this Government and we are working hard to achieve this. This is also part of our commitment to achieving the goals of the EU Farm to Fork Strategy and European Green Deal. I will speak to the policies and supports on this shortly.

In summary our strategic goal is to further develop a viable Organic Food Sector in Ireland enhancing the sustainability credentials of Irish food and producing a wide range of organic products to meet increasing domestic and international market opportunities.

Organic farming of course is also be a driver of our environmental targets for the agriculture sector. Our analysis shows that the level of climate benefits derived from the conversion to Organic farming indicate that due to the elimination of chemical N fertiliser and a 10% decrease in the Stocking Rate on organic farms, a corresponding reduction of 0.1MT co2 eq/annum reduction per 100,000 ha would apply. This is important as we continue to develop revised Climate Action Plan. There are also of course significant biodiversity and water quality benefits to organic farming which will also contribute to national targets.

### **Organic Sector Strategy**

A significant part of our work to achieve our organic goals will be the full implementation of the National Strategy for the Development of the Organic Food Sector. The Organic Sector Strategy Group, which was established in 2018, was tasked with developing a National Organic Strategy for the development of the Organic Food Sector for the period up to 2025 and published their report in January 2019.

This period coincides with the Food Wise 2025 Strategy which is the overarching strategy for the Irish food and drink sector and both strategies have the same aim – to drive added value for Irish agricultural produce in an environmentally sustainable manner.

The Strategy Group was comprised of representatives of State Bodies, farming organisations, Organic Control Bodies and a wide range of stakeholders including the organic meat, dairy, horticulture, cereals, and aquaculture sectors. This strategy sets out measurable strategic objectives for each subsector and incorporates actions considered essential to further support industry's development and achieve growth targets. It has targets and actions in the Strategy by sub-sector to be achieved by 2025. It has also 27 Cross Sectoral Actions related to areas such as supports, education and research.

The implementation of the actions detailed in the Strategy is regarded as a priority and critical to the further development of the organic sector in Ireland.

There is a dedicated Implementation Group to monitor the implementation of the strategy which comprises the bodies and organisations to whom a lead role has been assigned including DAFM Teagasc and Bord Bia. A meeting of the wider original Organic Sector Strategy Group also took place in the first quarter of this year which reviewed progress to date. Quarterly updates are published on the Department's website and we will arrange to submit these to the Committee for your information also.

### **Supports for the sector:**

The Department has a range of supports in place specifically for Organic Farmers, namely;

- The Organic Farming Scheme,
- The Organic Capital Investment Scheme

- The Organic Processing Investment Grant Scheme

In addition to these specific avenues of funding for registered organic operators, organic farmers can also access funding which is also available to conventional farmers.

The three main supports directly for the sector are:

1. The ***Organic Farming Scheme*** is the key support for the development of the organic farming sector in Ireland. Currently there are **1,530 participants** in the scheme with a budget of €14m in 2021.
2. The ***Organic Capital Investment Scheme*** provides support specifically for Organic Farmers for investment in buildings and machinery. (Paid at rate of 60% for qualified young farmers, 40% rate for others). Total expenditure on the Organic Capital Investment Scheme in 2020 amounted to **€512,000**.
3. The Minister also recently reopened the ***Organic Processing Investment Grant Scheme***. ***This provides grants*** to organic processors who wish to invest in developing facilities for the processing, preparation, grading, packing and storage of organic products. The maximum grant aid payable is €700,000 per applicant over the duration of this Scheme which now covers the period 2015 to 2022. This increases the overall ceiling for each organic processor by additional €200,000 over the duration of the Scheme. The total funding for this scheme in 2021 has increased by €500,000 and will amount to €1.2 million.

Returning to the main scheme, the Organic Farming Scheme. This was reopened in March of this year by the Minister who secured extra funding of €4m in the budget for this year to do so. A total of 317 applications have been received under this Scheme and we expect to be able to accommodate all of them.

Revised marking for the ranking and selection process provided a framework to prioritise the areas in deficit while the budget of €4m allocated to OFS 2021 allowed a larger number of applications from a wider base including the beef and sheep sector. There is also provision in the ranking and selection to award additional marks to those not in a current OFS, who entered conversion in 2019 and have continued to farm organically.

With the re-opening of the Organic Processing Investment Grant Scheme, together with the re-opening of the Organic Farming Scheme and the Organic Capital Investment Scheme earlier this year, we are delivering on the Department's Action Plan 2021 targets for further supporting and developing the organic sector. The Minister has also indicated that subject to available funding the scheme may be reopened for 2022 which could happen in the autumn of this year subject to the Budget discussions in the Autumn.

### **Production and Market Opportunities**

While the area under organic production has increased, production patterns are not fully aligned with market opportunities. The aim of the National Organic

Strategy is two-fold: increase land cover farmed organically while aligning it to market opportunities.

Most organic farmers are engaged in beef and/or sheep production with a relatively low number engaged in tillage and dairy. Bord Bia research shows that the categories with the greatest growth potential in the domestic market are fruit and vegetables and dairy. In addition, whilst a large proportion of the total organic tillage crop is dedicated to oats, there is insufficient supply to meet demand for the breakfast cereal market. Growth of the dairy, meat, and aquaculture sectors is also impeded by the insufficient supply of organic cereals and proteins. This deficit in supply also necessitates importation which increases costs of production and therefore impacts competitiveness.

It is important therefore to ensure that the development of production of organic food products is in line with market requirements and consumer demand. This will be the key to the long-term sustainable growth of the Irish Organic Food Sector. The Organic Farming Scheme which opened in 2018 and again in 2021 is targeted at those areas of production which are currently in deficit. These new entrants will assist in addressing the imbalances that exist. The Department believes also that there are significant opportunities for growth in the export market for beef and lamb where Bord Bia are assisting in developing markets for our exporters.

Within the Organic Strategy, the lead role for the overarching cross sectoral action of market identification and activation is assigned to Bord Bia. Funding of €300,000 has been provided by the Department to Bord Bia for their Organic

Marketing Plan in respect of 2021 and we are working closely with them on the delivery of this.

Looking to the future Cathaoirleach, as outlined the Department and our Ministers are extremely ambitious for the growth of the Irish organic sector to and to meet the Programme for Government commitments. There are a number of drivers which will help to achieve this but it will require all links in the chain collaborating from the primary producer right through to the retail and consumer sectors.

Our main priorities will include:

1. Continuing support to the organic sector from primary producers through to processors under our existing support schemes;
2. The development of an enhanced Organic Farming Scheme to be delivered under the next CAP from 1 January 2023. Work is ongoing on this as is engagement with stakeholders through the CAP Consultative Committee
3. Continued implementation of the National Organic Strategy with a particular focus on the development of a marketing strategy for Irish organic output domestically and internationally;
4. Working with farm advisory services to ensure that farmers receive the best and most up to date advice if considering the conversion to organic farming;
5. Engaging with the European Commission on the achieving the goals of the EU Organic Action Plan and the Green Deal.

The targets for the development of this sector are ambitious but we believe they can be achieved through a collaborative approach with the appropriate level of investment. We look forward to engaging with the Committee on this.