

Joint Oireachtas Committee on Agriculture, Food and the Marine
18th of October 2023
Challenges facing the fruit and vegetable industry in Ireland

Opening Statement by Louise Byrne, Deputy Chief Inspector, Department of Agriculture Food and the Marine

Introduction

Chairperson and Committee members, I would like to thank you for the invitation to speak to you today on challenges facing the fruit and vegetable industry in Ireland.

I am joined by my colleagues:

- Deirdre Fay, Senior Inspector and Head of Horticulture and Plant Health Division.
- Angela Robinson, Principal Officer and Head of Food Industry Development Division.

I would like at the outset, to highlight the importance of the horticultural sector and its significant contribution to the economy. The horticultural sector is the fourth largest sector in agriculture in terms of output, with a farm gate value of €529 million in 2022. The horticulture sector is a labour intensive industry with an estimated 17,000 people employed in the sector at both primary and value-added levels. It is important to highlight the diversity within this sector with a wide range of fruit and vegetables grown across its sub-sectors, which include protected crops, field crops, outdoor soft fruit, top fruit, potatoes and mushrooms. Most Irish horticultural produce is consumed in Ireland. However, an exception is mushrooms, of which approximately 80% are exported to the UK.

It is clear that there are a number of challenges facing the fruit and vegetable industry in Ireland. Key challenges include high input costs, access to seasonal labour, securing sustainable returns to cover increased costs, land availability, reduction in the availability of plant protection products and availability of growing media. These challenges have also been exacerbated in recent seasons by changes in climate which

have caused difficulties for growers due to extreme weather events impacting negatively on field-based crops. It is important to highlight that across the EU, Member States are experiencing similar challenges to those in Ireland in the fruit and vegetable sector. Ireland is not unique in terms of difficulties relating to, in particular the impacts of climate change, access to seasonal labour and significant increases in input costs.

The National Strategy for Horticulture 2023-2027, commissioned by Minister Hackett was launched in June of this year following comprehensive consultation with industry stakeholders and the public and publication of the KMPG report *Opportunities for the Irish Horticulture Sector* in July 2022.

The vision outlined in the *National Strategy for Horticulture 2023-2027* is to grow a more profitable, value-added sector, driven by innovation and sustainability. The Strategy aligns with and delivers on a specific action in Food Vision 2030 by providing a road map for the horticulture industry to ensure the future economic, social and environmental sustainability of this crucial sector. The strategy has identified eight Key Strategic Actions that must be progressed in order to ensure the viability of the sector as a whole.

In addition to the work on the *National Strategy for Horticulture 2023-2027* the Department of Agriculture, Food and Marine continues to provide support to fruit and vegetable growers. Since 2018 the *Scheme of Investment Aid for the Development of the Commercial Horticulture Sector* has approved over €53 million in grant aid to the sector. This has supported investment worth over €133 million in the sector. A budget of €10 million has been secured to run this scheme again in 2024.

Recognising the continuing challenges in some areas of fruit and vegetable production funding of €2.383 million was secured this year under the EU Agricultural Reserve for the horticulture sector. This fund, like its predecessor, the Horticulture Exceptional Payment Scheme in 2022, is targeting sub-sectors that are most at risk due to a combination of high input prices, low output prices and/or reduced yield. Applications for this scheme will open shortly.

When describing the supports available for fruit and vegetable producers I would also like to emphasise the importance of the EU Producer Organisation (PO) scheme for fruit and vegetables, this scheme administered by the Department provides an invaluable source of funding not only to aid capital investments but to support other actions that benefit and strengthen the position of the PO members in the marketplace. As outlined in the National Strategy for Horticulture the aim is to increase the number of POs and the number of growers in POs. Collaboration is an essential tool in mitigating some of challenges being faced by the sector.

Funded by the Brexit Adjustment Reserve, the Department has developed a number of schemes and initiatives to help address the difficulties faced by growers following the departure of the UK from the EU. According to legislation, all funds under BAR must be paid to growers by 31st December 2023.

Given that approximately 80% of Irish mushrooms are exported to the UK, the mushroom sector was a particular focus for BAR funding. Support has been provided in two ways. Since 2021, total funding of €1.89million has been provided to promote mushroom consumption in the UK and sustain Irish market share. Coordinated by Bord Bia, TV, video on demand, social media and Public Relations activities across several different campaigns have focused on the versatility, health benefits and tastiness of the mushroom and maintained sales at a difficult time for the industry.

Additionally, in 2023 two separate investment aid schemes with a budget of €5 million for the mushroom sector were launched. The 2023 Scheme of Investment Aid for Energy Efficiency, Automation and Processing for Commercial Mushroom Producers (Primary Producers) and the 2023 Scheme of Investment Aid for Commercial Non-Primary Producers in the Mushroom Sector and for Peat Replacement by Commercial Mushroom Producers. The Schemes are designed to accelerate investment in the mushroom sector by providing up to 40% grant assistance to all businesses contributing to the production of mushrooms in Ireland including compost yards, towards the capital cost of specialised equipment and facilities to increase the efficiency and sustainability of mushroom growing, packing and processing.

The potato sector was also directly impacted by Brexit. In 2022, the Scheme of Investment Aid for the Development of the Seed Potato Sector was launched to help address the difficulties faced by growers following the ban on the importation of certified seed potatoes from Great Britain. The scheme is providing grant assistance to seed potato producers towards the capital cost of equipment and facilities for the production, storage and marketing of seed potatoes. The Scheme had a budget of €1.5 million in 2022 and €1.5 million in 2023. In 2023, the Scheme was expanded to include chipping potatoes with an additional €1.6m in funding being allocated bringing the total funding available for the 2023 Scheme of Investment Aid for the Seed Potato Sector and the Chipping Potato Sector to €3.1m.

Recognising the challenges around growing media and the need to find alternatives to peat, €1.69m was awarded by the Department of Agriculture, Food and the Marine to a research project 'Beyond Peat'. This 5 year project, coordinated by Teagasc, is ongoing and will run until 2027.

Separately, research projects on peat alternatives continue to be funded through the EU producer organisation (PO) scheme for fruit and vegetables. Trials are ongoing in this area, and the results are promising, as it appears that a substantial reduction in peat usage for casing in the mushroom industry may be achievable.

The Horticulture Industry Forum chaired by Minister Hackett was formed as a stakeholder group to facilitate a cooperative approach to the challenges that face the industry and to foster conditions that will grow and develop the industry on a long-term basis. This forum encompasses representatives from all horticultural sub sectors. The full forum meets bi-annually to discuss key issues for the sector. A sub-committee of the HIF with representatives from the Department, Teagasc, Bord Bia, and the IFA also meet on a more regular basis.

I understand that the Committee is interested in food waste in the sector. The Department of the Environment, Climate and Communications is the lead Government Department in developing Ireland's National Food Waste Prevention Roadmap, and in the coordination and review of its implementation. The Department of Agriculture, Food and the Marine (DAFM) is the lead Government Department for UN Sustainable

Development Goals 12.3. which aims, by 2030, to halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses. Both Departments are committed to working closely together and with the Environmental Protection Agency to pursue food loss and food waste reductions that contribute effectively to the implementation of the Roadmap. Part of this work includes examination of recent EPA funded research on food waste in the primary production sector and examining ways to improve data collection on food loss and food waste as well as working with key sectors to examine how food waste in the sector can be avoided.

The Department of Agriculture, Food and the Marine has in recent years provided support for a number of food waste reduction initiatives through the Rural Innovation Development Fund (RIDF). The support is awarded through a competitive process. In 2023, €180,000 was awarded for a Growers Project (Food Cloud) which is aimed at reducing food waste at farm level by connecting growers who have surplus produce with community groups located around the country.

In conclusion, the National Strategy for Horticulture charts an important way forward for this crucial industry. An allocation of €1.35 million has been secured in Budget 2024 to support the delivery of the National Strategy for Horticulture. As we move into the implementation of the strategy the focus is very much on embracing the opportunities for the sector. Achieving the ambition of the Strategy will require all stakeholders in the industry to work together.

I would again like to thank you for inviting us to address the committee this evening on this important matter and we are happy to take any questions members may have.