

**Report of the
Organic Development
Committee**

ACTION PLAN

November 2002

Contents

	Page
Foreword by Noel Treacy TD, Minister of State at the Department of Agriculture and Food	3
Introduction	5
The Committee's Recommendations	6
Structures	10
National Steering Group	10
Partnership Expert Working Group	11
Organic Market Development Group	12
Actions by the Department of Agriculture and Food	13

Foreword

I am very pleased to introduce this Action Plan which is my Department's response to the Report of the Organic Development Committee, published earlier this year. The Report is a milestone in the development of the organic sector in Ireland. The members of the Committee were drawn from a wide range of stakeholders — not just the organic farming groups and the Department, but also included the mainstream farming organisations, the food processing and retail sectors, a number of semi-state bodies, the Consumers' Association and the Food Safety Authority of Ireland. The fact that so many organisations took up the invitation to participate in the Committee, and the high quality of their contributions, reflected a recognition of the growing importance of organic farming and food processing.

The potential that exists for the organic sector in Ireland has been well documented in the recent reports of Bord Bia, Teagasc and the Western Development Commission. There is no doubt that there is scope to expand the sector both at home and on the export market. Organic food sales in the EU are worth nearly €6 billion a year. In Ireland, sales of organic food are currently worth over €30 million a year and are growing at up to 30% annually, similar to the European growth rate.

On the home market, demand continues to exceed supply, with up to 70% of organic food in some categories imported. But most of what is imported is fruit and vegetables and many of those could not be produced here. On the other hand, with our grassland-based, extensive livestock farming systems, we have a real chance to exploit the export market for organic beef and lamb. Most of our organic farmers are in livestock anyway and that is what our climate, soil and farming systems favour. Irish farming is traditionally less intensive than in other European countries, so we have good reason for believing that the number of organic operators, currently around one thousand, can increase significantly over time.

The Organic Development Committee believes that we can have 3% of the land area in organic farming by 2006. While this may seem a modest target it is in fact an ambitious one; it amounts to almost a fourfold increase on what we have at present. But I am confident that it is achievable.

The Committee has recommended some new structures that can provide an integrated framework for future development of the sector. The Report sets out a comprehensive

series of actions, to be carried out by a wide range of stakeholders, that will help to underpin achievement of the growth target of 3%.

The Government recognises the potential of the organic sector and is committed in the Programme for Government to its further development through increased production and the development of a single national label for Irish organic produce. I am happy to support the recommendations of the Organic Development Committee in furthering achievement of the Government's objectives for the organic sector. Development of the organic sector can also be assisted by building on the considerable level of cross-border involvement which already exists. I will be encouraging my Department to support the further development of the various links in this area in close co-operation with the Department of Agriculture and Rural Development in Northern Ireland.

I have asked my officials to proceed immediately with the setting up of the National Steering Group and I have asked them to consider in particular the various actions recommended in the Report that lie within the remit of my Department. I encourage all the stakeholders to support me in responding to the recommendations in this important Report. Producers, processors, and the retail sector in Ireland must now grasp the opportunities that exist if we are to develop a vibrant organic sector.

Noel Treacy TD

Minister of State at the Department of
Agriculture and Food

November 2002

Introduction

The AgriFood 2010 Committee, in its report issued in March 2000, recommended the setting up of an Organic Development Committee to draw up a coherent strategy for the development of the sector. The Organic Development Committee was established in November 2000 with the following terms of reference:

To recommend a coherent development strategy to achieve expansion in production, processing and marketing of Irish organic produce and to secure an increased share of the growing national and export markets; and to consider the broad actions necessary for the most advantageous long-term future development of the Irish organic sector while protecting its integrity.

The Committee presented its Report to the Minister in April 2002. It made a number of recommendations which fell into two main categories:

- 1. Creation of new structures to assist the development of the organic sector**
- 2. Actions by various stakeholders including the Department of Agriculture and Food**

The Committee's Recommendations

Structures

- A Steering Group, drawn from among the stakeholders on the Organic Development Committee, should be set up as a driving force for the development of the organic sector and a basis for advancing the partnership between the organic sector and the other principal essential interests.
- A Partnership Expert Working Group should be established to co-ordinate, facilitate and monitor the provision of training, education, advice and research.
- An Organic Market Development Group should be established under the co-ordination of Bord Bia, with overall responsibility for developing a national marketing strategy for organic food.

Actions by stakeholders

Regulations for organic farming

- The Department of Agriculture and Food should make national regulations for organic produce incorporating the specific recommendations in the Report of the Organic Development Committee. Such regulations need to be sufficiently rigorous to maintain consumer confidence and competitiveness against foreign organic produce, but it is equally important to avoid over-regulation and unnecessary restrictions.

Research, Training and Education

- Teagasc should carry out a commercial appraisal on the key products within the main organic food sectors, in collaboration with Bord Bia, Bord Glas, Shannon Development and Enterprise Ireland. The appraisal should include case studies, product cost and price analysis, marketing costs input, to assess profit potential. Further research to identify market opportunities and consumer attitudes to organic products should also be included.
- A full range of courses, including accredited courses from FETAC should be established to meet the needs of the organic sector.
- A network of strategically located demonstration farms is required. These should be identified by Producer Groups, Teagasc and Partnership Groups and should be supported financially by the Department of Agriculture and Food and other sources of funding.
- A range of organic publications should be developed by stakeholders and Teagasc should take the lead in producing a user-friendly management handbook.
- A Teagasc adviser should be available in each county, complemented by a core national team of trained specialist organic advisers.
- Existing advisory and information centres should be further developed and a facility should be provided in the east of the country to foster the development of the horticultural industry.

- It should be explained to consumers that there are objective justifications for the price commanded by organic food.
- Research should target priority areas listed in the Report of Organic Development Committee and sufficient funding should be made available for these priority areas.
- Producer Groups and Co-operatives should be commercially focused and be encouraged to expand their activities and act as organic discussion groups.
- The existing Teagasc discussion groups should be extended to incorporate organic discussion groups. Teagasc should provide technical assistance to these groups.

Market Development

- A census of organic farming should be taken at intervals and the Department of Agriculture and Food should conduct the first such census in 2002. When this first census is completed, the results should be analysed to explore whether targets can be set for the development of individual areas within the organic sector.
- To ensure the effective dissemination of information, the Organic Unit of the Department of Agriculture and Food should establish, maintain and manage an organic database and website into which information should be fed by the Department itself and other stakeholders.
- The Organic Market Development Group should employ the services of an appropriate design agency to devise a national label for Irish organic food on the basis of a design brief and a clear set of rules defining its use.
- The establishment of a quality assurance scheme for organic food should be kept under review as the sector expands. In the meantime, organic producers should be encouraged to take part in the existing quality assurance schemes operated by Bord Bia and Bord Glas.
- There should be an examination of the feasibility of developing a new distribution channel for small and medium organic food producers to link to Central Distribution Centre systems.
- Initially, the promotion of organic food should focus on Irish products, which have already achieved a niche in the market. As supply increases there should be a growing emphasis on developing export markets.

The role of the farming organisations

- The main farming organisations should recognise that the organic sector represents a significant opportunity for farmers and should give it due priority. As part of their services to members they should provide advice and assistance in marketing organic produce.

Financial supports

- Amendments to the Rural Environmental Protection Scheme (REPS) are recommended so that
 - organic farmers can receive the in-conversion financial support for the equivalent of their full conversion period
 - farmers with commonage lands or grazing rights can participate, under strict criteria, in the organic supplementary measure of the scheme
 - the area eligible for payment of the organic supplementary measure would be increased.
- The Department of Agriculture and Food should re-examine the condition in REPS that organic livestock producers receive payment computed on the basis of a minimum stocking level of 0.5 livestock units per hectare of eligible forage area.
- The Scheme of Grant Aid for the Development of the Organic Sector should be amended as necessary to allow for support where appropriate for the Committee's recommendations. The funding allocated to the Scheme should be kept under review to ensure that it remains adequate.
- Funding should be available from the Scheme of Grant Aid for the Development of the Organic Sector – or from relevant mainstream schemes – to assist producers who find it necessary to upgrade animal housing or other facilities to meet organic standards.
- The Department of Agriculture and Food should review its mainstream schemes of grant aid and consider whether they can be modified to assist the development of the organic sector.
- The current Area Aid rules should be re-examined in the context of the CAP mid-term review, with the aim of facilitating expansion of the organic sector and allowing some flexibility to accommodate the requirements for organic producers due to the rotational nature of their production base.
- The Department of Agriculture, Food and Rural Development should deem organic farmers a priority category in the allocation of suckler cow, milk and ewe quota.
- The Department of Agriculture and Food should review the funding available for the development of the organic sector so that it can assist in developing necessary infrastructure – including Producer Groups – to support the sector.
- Cross-border cooperation should be promoted. Organic operators and producer groups should work closely and be encouraged to explore possible sources of funding such as Interreg, the International Fund for Ireland and the PEACE Initiative.
- Funding should be provided to facilitate and foster the establishment of partnerships and to grant aid partnerships to deliver research, training and advisory programmes.
- Local development programmes including LEADER, County Enterprise Boards and Area Partnerships should be encouraged to give maximum support to the development of the organic sector.

Developing the dairying sector

- The Milk Quota Review Group should consider assigning additional quota, if available, to one or a small number of processors who are willing to develop organic markets. At farm level this additional quota should then be allocated to organic farmers.
- The major dairy processors should give most serious consideration to allocating processing facilities to organic milk and encouraging some of their larger suppliers to convert. The dairy processors should consider manufacturing organic products which have sustainable demand and which give an acceptable return to dairy farmers i.e. subject to commercial feasibility.
- Processors who take positive steps to develop the organic dairying sector should be given the greatest possible practical support by the Department of Agriculture and Food, by the relevant state agencies and by the mainstream farming organisations.

Structures

The Organic Development Committee concluded that some additional structures are required to assist the development of the organic sector and recommended that the establishment of these structures should be given high priority. These were

- a National Steering Group for the Organic Sector
- a Partnership Expert Working Group, and
- an Organic Market Development Group

National Steering Group for the Organic Sector

The Organic Development Committee recommended that

A Steering Group, drawn from among the stakeholders in the Organic Development Committee, should be set up as a driving force for the development of the organic sector and a basis for advancing the partnership between the organic sector and the other principal essential interests.

Membership of the Steering Group

All organisations represented on the Organic Development Committee as set out below will be asked to nominate members of the Steering Group:

- | | |
|---|---|
| • Associated Craft Butchers of Ireland | • Irish Dairy Board |
| • Bord Bia | • Irish Farmers' Association (IFA) |
| • Bord Glas | • Irish Organic Farmers and Growers Association (IOFGA) |
| • Consumers Association of Ireland | • Irish Small and Medium Enterprises Association (ISME) |
| • Demeter Standards Ltd | • Macra na Feirme |
| • Department of Agriculture & Food | • Organic Trust Ltd |
| • Enterprise Ireland | • RGDATA |
| • Food Safety Authority of Ireland | • Shannon Development |
| • Glanbia | • Teagasc |
| • Irish Business and Employers Federation (IBEC) | • Tesco Ireland |
| • Irish Co-operative Organisation Society (ICOS) | • Western Development Commission |
| • Irish Creamery Milk Suppliers Association (ICMSA) | |

From time to time, the Group may agree to invite other individuals and/or organisations to attend meetings.

The National Steering Group will be convened during December 2002. The Department of Agriculture and Food will provide the secretariat to the Group.

Terms of Reference:

To oversee and monitor the implementation of the recommendations contained in the *Report of the Organic Development Committee* and provide a basis for advancing the partnership between the organic sector and the other principal essential interests.

➤ **Partnership Expert Working Group**

The Organic Development Committee recommended that

A Partnership Expert Working Group should be established to co-ordinate, facilitate and monitor the provision of training, education, advice and research.

Membership of Partnership Expert Working Group

In accordance with the recommendation of the Organic Development Committee, the National Steering Group will make nominations to the Partnership Expert Working Group at its first meeting. Teagasc will chair the Group and the Department of Agriculture and Food will provide the secretariat.

Terms of Reference

The terms of reference, which will be agreed by the National Steering Group, will take account of the deliberations of the Organic Development Committee, addressing in particular the need to:

- Foster and encourage the establishment of partnerships to ensure the effective provision and delivery of training, education, research and advice at local, regional and national level
- Assess and make recommendations on applications for grant aid for the costs associated with the provision of training, education, advice and research programme carried out by partnerships.

➤ **Organic Market Development Group**

The Organic Development Committee recommended that

An Organic Market Development Group should be established under the co-ordination of Bord Bia, with overall responsibility for developing a national marketing strategy for organic food.

Membership of Organic Market Development Group

At its first meeting, the National Steering Group will make nominations to the Group.

Bord Bia will provide the chair and the secretariat.

Terms of Reference

The terms of reference, which will be agreed by the National Steering Group, will take account of the deliberations of the Organic Development Committee, addressing in particular the need to:

- Monitor developments in the market
- Develop the organic retail multiple opportunity of the organic food industry.
- Review the approach to the successful development and promotion of organic products in EU countries
- Recommend marketing and promotional programmes.
- Review the Bord Bia Marketing Improvement Assistance Programme (MIAP) to explore the possibility of extending financial support for the marketing of fresh organic meat produce i.e. unprocessed.
- Explore mechanisms to encourage the agri-food sector to develop added value organic food products.
- Explore mechanisms that have potential for providing financial assistance to direct sellers of organic produce to facilitate their development
- Employ the services of an appropriate design agency to devise a national label for Irish organic food on the basis of a design brief and a clear set of rules defining its use.

Actions by the Department of Agriculture and Food

Among the actions recommended by the Organic Development Committee there are a number which fall directly within the remit of the Department of Agriculture and Food. These are set out below together with the Department's responses.

Action	Response
A census of organic farming should be taken at intervals and the Department of Agriculture and Food should conduct the first such census in 2002. When this first census is completed, the results should be analysed to explore whether targets can be set for the development of individual areas within the organic sector.	The census will begin in December 2002 when questionnaires will be sent to all organic operators registered with the Department. The information will be collated and the results published in 2003.
To ensure the effective dissemination of information, the Organic Unit of the Department of Agriculture and Food should establish, maintain and manage an organic database and website into which information should be fed by the Department itself and other stakeholders.	The Department will develop a website in two phases, with Phase 1 to be completed in early 2003. Work on Phase 2 will begin thereafter.
The Department of Agriculture and Food should make national regulations for organic produce incorporating the specific recommendations in the Report of the Organic Development Committee. Such regulations need to be sufficiently rigorous to maintain consumer confidence and competitiveness against foreign organic produce, but it is equally important to avoid over-regulation and unnecessary restrictions.	The Department has requested the assistance of the Office of the Attorney General in drafting Regulations.
<p>Amendments to the Rural Environmental Protection Scheme (REPS) are recommended so that</p> <ul style="list-style-type: none"> ○ organic farmers can receive the in-conversion financial support for the equivalent of their full conversion period ○ farmers with commonage lands or grazing rights can participate, under strict criteria, in the organic supplementary measure of the scheme ○ the area eligible for payment of the organic supplementary measure would be increased. 	The Department will consult with the organic farming bodies before the end of 2002 to see how best to give effect to the first part of this recommendation. The second and third items will be considered in the context of a general review of REPS in 2003.

Action	Response
The Department of Agriculture and Food should re-examine the condition in REPS that organic livestock producers receive payment computed on the basis of a minimum stocking level of 0.5 livestock units per hectare of eligible forage area.	This will be considered in the context of a general review of REPS in 2003.
The Scheme of Grant Aid for the Development of the Organic Sector should be amended as necessary to allow for support where appropriate for the Committee's recommendations. The funding allocated to the Scheme should be kept under review to ensure that it remains adequate.	The Scheme will be reviewed during 2003.
Funding should be available from the Scheme of Grant Aid for the Development of the Organic Sector – or from relevant mainstream schemes – to assist producers who find it necessary to upgrade animal housing or other facilities to meet organic standards.	Organic farmers may now avail of financial support under the following Department schemes: <ul style="list-style-type: none"> • Scheme of Investment Aid for Farm Waste Management • Scheme of Investment Aid for the Improvement of Dairy Hygiene • Scheme of Grant Aid for the Development of the Organic Sector
The Department of Agriculture and Food should review its mainstream schemes of grant aid and consider whether they can be modified to assist the development of the organic sector.	The Department will review these schemes during 2003.
The current Area Aid rules should be re-examined in the context of the CAP mid-term review, with the aim of facilitating expansion of the organic sector and allowing some flexibility to accommodate the requirements for organic producers due to the rotational nature of their production base.	This recommendation would require an amendment to EU Regulations. When the opportunity arises, the Department will pursue the issue in discussions at EU level.

Action	Response
The Department of Agriculture, Food and Rural Development should deem organic farmers a priority category in the allocation of suckler cow, milk and ewe quota.	Organic farmers are at present deemed a priority category in the allocation of suckler cow quota. As ewe quota is readily available, the Department will examine the possibility of deeming organic farmers a priority category in the allocation of milk quota.
The Department of Agriculture and Food should review the funding available for the development of the organic sector so that it can assist in developing necessary infrastructure – including Producer Groups – to support the sector.	The Department will review the position in the overall context of its financial provision.
The Milk Quota Review Group should consider assigning additional quota, if available, to one or a small number of processors who are willing to develop organic markets. At farm level this additional quota should then be allocated to organic farmers.	The Department will pursue this matter with the Milk Quota Review Group.
Processors who take positive steps to develop the organic dairying sector should be given the greatest possible practical support by the Department of Agriculture and Food, by the relevant state agencies and by the mainstream farming organisations.	The Department will respond positively to requests for support.