

IFA SUBMISSION TO THE DEPARTMENT OF AGRICULTURE, FOOD AND THE MARINE ON THE DEVELOPMENT OF THE ORGANIC SECTOR STRATEGY 2025

14 June 2018

Following the formation and meetings of the IFA Organic Project Team, Chaired by North Leinster/Ulster IFA Regional Chairman, Nigel Renaghan, the IFA make the following submission on the development of the organic sector. The Project team consisted of 14 IFA members involved in certified agriculture production of vegetables, fruit, dairy products and milk, beef, lamb, tillage crops, and poultry. There are circa 1500 certified organic producers of the commodities listed above in ROI today, and with the current closure of the organic scheme to new entrants, there is potential for this for this number to be increased, in order to match growing consumer and retail demand for fresh, locally produced certified and quality assured organic produce. Consumer demand is greater than the growing capacity of many vegetables, such as organic carrots, broccoli, kale, leeks, cabbage, beetroot and parsnips, apples, and potatoes. While demand for organic red meat is slowly growing, it is a very niche market and has limited overall growth potential, with consumers who seek organic produce, having a preference for white protein meats and more commonly, less meats and greater volumes of organic fruit and vegetables.

Reopening the Organic Scheme to new entrants

Taking this market reality into consideration and concentrating on a local domestic consumption market in the main, **the IFA would propose the targeted opening of the organic transitional scheme in 2018** for specific commodity sectors that are currently in deficit. The **organic tillage sector** is an area that needs to be encouraged to grow and meet the increasing market requirements from the animal feed sector. ROI imported €8million worth of certified organic grains into the country in 2016 in order to try meet demand from the large animal sectors producing organic dairy and beef but increasing so from the small but growing domestic artisan poultry sector, producing both organic eggs and broiler chicken meat. **Organic horticulture** is in growing demand and IFA Organic Project Team propose opening the scheme for new entrants along with additional measures outlined in greater detail below, to encourage existing producers to match production with market demand. The **dairy sector** has potential to grow as does the **poultry sector** and the IFA propose opening these sectors to new organic converter in 2018.

Lime Spreading

The IFA props a specific subsidy to incentive the correction of soil ph levels where necessary, after soil testing, by the addition of ground limestone, for transitioning and certified organic farmers.

Tams organic investment scheme

IFA propose an increased grant funding level (50%) for the Organic Tams scheme and for a higher investment ceiling (€300k) in the submission. Also, the definition of a young a farmer should be increased for organic farmers to 50.

There are currently circa 15900 organic certified farmers with an average holding of less that 3 ha. The major requirement for investment to exploit the current market opportunity for organic produce is in the horticulture sector, where the need for expensive glasshouses polyethene tunnels and specialised equipment is a heavy burden on the business model. Raising the investment limit for this sector will both encourage current organic producers to develop their business and also new entrants into this market driven, growth, sustainable area of organic agriculture.

Knowledge transfer (KT) and Education

The KY scheme should play a very important role in organic and transitioning organic farmers development in the sector. The IFA seek a higher payment rate (200%?) to encourage a change of behaviour and greater participation in terms of organics. There is also a greater degree of flexibility required for specific organic KT groups as the smaller numbers of famers will require further distances to be travelled, to attend. Education is key and needs to be properly funded. Teagasc resources are insufficient today for the organic sector, to service the current 1500 farmers and this has to addressed.

Tillage and Animal Feed sector.

Oats and combi crops are very important (combi crops are cereals including with peas/vetches). There is a lack of expertise and advice on growing good quality organic animal cereal feedstuffs and cereals. Ireland imports €8million worth of animal feed ingredients annually, simply because there is not enough grown here. This results in the price of a simple dairy ration costing €550/tonne. This high cost of meal is a big barrier to off seasonally dairy (and winter beef production). An organic winter liquid milk producer receiving 60c/l is not viable with concentrated meal costing €550/tonne, which removes the year-round liquid milk market as a potential growth market for organic drinking milk. Investment in the tillage, crop growing organic ester is required inn terms of opening the organic scheme to new entrants and providing mandatory educational services to these new entrants.

Dairy sector

IFA proposes opening the organic conversion scheme for dairy farmers in order to meet market demand for dairy produces such as cheese and yogurt. With significant investment in marketing and the required animal feed sector there is good potential growth in the organic liquid milk market and possible further processing dairy sector. Priority must be given to current certified farmers who need to renew their organic plan, and this priority is also required to any other sector which is reopened to new entrants such as grain, poultry etc.

Organic Horticulture

There is a clear growing market and demand for organic fruit and vegetable, that will return a margin, (unlike beef). There is an export market opportunity to middle east for specific crops such as kale. There is a shortfall in domestic production at a sustainable price point, of many horticultural crops such as carrots (No 1 organic vegetable and always in demand), broccoli, leeks, beetroot, cabbage, parsnips. There is also a good growing demand and gap in the market for organic potatoes, apples and more carrots. Horticulture proposal: **€1000/ha organic payment for 1st 3 ha**. Also, the proposals on Tams for the organic sector would have a direct benefit to the commercial organic horticultural sector,

Environmental Schemes

Current Ag environmental scheme **GLAS**- 16 of the options would exclude a participant from being organic. Organic agriculture used to be a part of REPS. Now organic agriculture is in conflict with many options in the GLAS scheme. This needs to be rectified in future consultation with stakeholders from the organic sector.

Agroforestry is a suitable for operating in conjunction with organic farming and should be incentivised.

Suckler cow payment

IFA propose a targeted additional €100 payment on top of the any conventional suckler cow payment to make it worthwhile for producers to stay producing suckle bred beef cattle. IFA propose greater flexibility in the replacement of stock rule – currently 10% to increase to 40%.

Risk based DAFM Inspections.

IFA feel that a low risk assessment status should be granted to organic producers once they are certified. This would enable less frequency inspections, for certifications bodies, which are governed and regulated by DAFM.

Environmental contribution of Organic farming

The low overall carbon emissions and positive environmental impact from organic farming recognition needs to be recognised, which the current Bord Bia carbon navigator does not do. The current assessment is purely based on maximising production from whatever inputs are used. This needs to be rethought take account of the undeniable positive effect organic agricultural techniques have on the environment compared with conventional production systems. Organic farmers cannot be disadvantaged for being organic and not being recognised in the current Bord Bia carbon gauge

Payment levels

IFA propose the payment should be **€315 for the first 20ha**. A payment for forage crop, turnip, kale, rape etc. or barley oats would address the shortage of available organic feed during winter. Currently the majority of feed is imported and expensive. A payment on up **to 5ha** per farm at a rate of up to **€450 per ha** would encourage self-sufficiency. There needs to be more flexibility in the rotation of measures for better utilisation and protection of soils.