An Roinn Talmhaíochta,
Bia agus Mara
Department of Agriculture,
Food and the Marine

REVIEW OF ORGANIC FOOD SECTOR AND STRATEGY FOR ITS DEVELOPMENT

2019 - 2025

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Definitions

For the purpose of this Strategy Document: -

- "BIM" shall mean Bord Iascaigh Mhara.
- "CAGR" shall mean Compound Annual Growth Rate.
- "CAP" shall mean Common Agricultural Policy.
- "CEE" shall mean Central & Eastern European.
- "DAFM" shall mean The Department of Agriculture, Food & the Marine.
- "DCCAE" shall mean Department of Communications, Climate Action and Environment.
- "DECLG" shall mean Department of Environment, Community and Local Government.
- "FW 2025" shall mean Food Wise 2025.
- "GMO's" shall mean Genetically Modified Organisms.
- "IOA" shall mean Irish Organic Association.
- "IOFGA" shall mean Irish Organic Farmers and Growers Association.
- "ICMSA" shall mean Irish Creamery Milk Suppliers Association.
- "ICSA" shall mean Irish Cattle & Sheep Farmers Association.
- "IFA" shall mean Irish Farmers Association.
- "IFOAM" shall mean International Federation of Organic Agriculture Movements.
- "NOTS" shall mean National Organic Training Skillnet.
- "OCB" shall mean Organic Certification Body.
- "OCIS" shall mean Organic Capital Investment Scheme.
- "OFS" shall mean Organic Farming Scheme.
- "OGI" shall mean Organic Growers of Ireland.
- "OGP" shall mean Office of Government Procurement.
- "OT" shall mean Organic Trust.
- "OPIG" shall mean Organic Processor Investment Grant Scheme.
- "RDP" shall mean Rural Development Programme.
- "SWOT" shall mean Strengths, Weaknesses, Opportunities and Threats.
- "TAMS" shall mean Targeted Agricultural Modernisation Scheme.
- "UAA" shall mean Utilisable Agricultural Area.

Terms of Reference for the Organic Sector Strategy Committee

The Terms of Reference for the Organic Sector Strategy Group established in March 2018 by the Minister of State at the Department of Agriculture, Food and the Marine are as follows:

- To review the implementation of the 2013-2015 Action Plan, and in particular identify what worked well and what did not.
- To assess the case for a targeted reopening of the Organic Farming Scheme, looking to best economic and environmental outcomes.
- To draft a new 5-7 year Strategic plan for the development of the organic sector, including sectoral and cross sectoral recommendations, market developments, training and education, public awareness and wider EU policy.

Committee Members

The composition of the Committee is as follows:

Chair: **Martin Heraghty**

Fergal Byrne
Chairperson of ICSA Organics Committee

Dan Clavin
Organic Specialist, Teagasc

Vincent Cleary
Managing Director, Glenisk

John Curran
Chairperson, Meath Irish Farmers' Association

Denis Drennan
Chairperson of ICMSA Farm & Rural Affairs Committee

Padraig Fahey
Owner, Beechlawn Organic Farm

John Flahavan
Chairman of E. Flahavan & Sons

Richie Flynn (R.I.P.)
Irish Farmers' Association

Joe Hyland
Managing Director of Irish Country Meats

Niamh Jinks
Marketing Executive, Aurivo

Colin Keogh
Quality Assurance/Processing Inspector,
Organic Trust (Organic Certification Body)

Donal Maguire
Senior Management, Bord Iascaigh Mhara

Catherine Morrison
Manager, Project Development Services, Bord Iascaigh Mhara

John Purcell
Managing Director of Good Herdsmen

Karen Tyner
Senior Manager, Bord Bia

Gillian Westbrook
Chief Executive Officer, Irish Organic Association
(Organic Certification Body)

Secretariat:
Department of Agriculture, Food and the Marine

Foreword by Mr Andrew Doyle T.D.

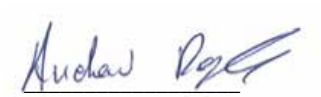
Minister of State at the Department of Agriculture, Food and the Marine

I am delighted to receive the Report of the Organic Sector Strategy Group 2019-2025 on behalf of the Department of Agriculture, Food and the Marine. This Strategy recognises the opportunities that exist for the Irish Organic Food Sector and provides clear direction for the further development of this sector to 2025. In doing so, it perfectly aligns the strategic growth plans of the Organic Sector with the broader *FoodWise 2025* Strategy for Irish food and drink.

I would like to thank all the members of the Organic Sector Strategy Group for their input into this document. When I established the Group in early 2018 it was done based on some considered Terms of Reference which have informed its work since then. These were designed to ensure that we have a Strategy which supports a consumer led viable Organic Food Sector in Ireland, enhancing the sustainability credentials of Irish food, producing a wide range of organic products to meet increasing domestic and export market opportunities.

I commend the Group, and its Chairman, Martin Heraghty, for their commitment to the further development of the Organic Sector. The formulation of this Strategic Plan was enhanced by the extensive response to the public consultation process. I would therefore also like to acknowledge the invaluable contributions made by all stakeholders during this process.

The implementation of the recommendations in the Strategy will be a major driver of the growth of the Irish Organic Food Sector to 2025. To this end, this Strategy sets measurable strategic objectives for each sub-sector and incorporates actions considered essential to further support the industry's development and achieve growth targets. I am determined to put in place the structures to ensure that this implementation enjoys the priority it deserves and I will be making further announcements on this in due course.



Andrew Doyle T.D.

Minister of State, Department of Agriculture, Food and the Marine

Executive Summary

In March 2018, Minister of State at the Department of Agriculture, Food and the Marine, Mr. Andrew Doyle T.D., established an Organic Sector Strategy Group tasked with developing a strategy for the development of the Organic Food Sector for the period up to 2025. This period coincides with the Food Wise 2025 Strategy which is the over-arching strategy for the Irish food and drink sector and allies it to the stated aims contained therein, to drive added value for Irish agricultural produce. The Group comprised of representatives of the Department of Agriculture, Food and the Marine, Teagasc, Bord Bia, BIM, IFA, ICMSA, ICSA, OCB's and a wide range of stakeholders including the organic meat, dairy, horticulture, cereals and aquaculture sectors.

A public consultation process provided an opportunity for all interested parties to contribute to the development of the new strategic plan. The public consultation process combined with an Organic Processing Survey ensured that stakeholders had their views considered, before the finalisation of this Strategy which aims to build on progress made and provide clear direction for further development of the Organic Food Sector for the next seven years. This Strategy can be viewed as the shared voice of the industry, striving to create an environment in which growth opportunities for organic food, both nationally and internationally, can be realised.

This Strategy builds on previous iterations, most recently the Organic Farming Action Plan 2013-2015, and recognises the growing role which the organic sector can play in the Irish food and drink story. A good strategy is based on baseline data and the Group noted the challenge involved in distinguishing the impacts and scale of the organic sector from broader food and drink sectors. It has consequently recommended a renewed focus on developing sector-specific statistics and improved value chain analysis at producer, processor and retail level, to allow for more targeted strategic actions in the future.

Underpinning this Strategy is a vision of Irish organic food, based on its natural production attributes, being a desirable choice for farmers, consumers and retailers. The overall objective of the Strategy is to further develop a viable Organic Food Sector in Ireland enhancing the sustainability credentials of Irish food producing a wide range of organic products to meet increasing domestic and export market opportunities. In formulating the strategic direction outlined in this document, the Group considered the Organic Food Sector, both nationally and internationally and identified strengths, weaknesses, opportunities and threats for the Organic Food Sector in general and specifically by sub-sector.

The approach in developing the Strategy was to focus on the market and set production targets for each of the main sub-sectors related to current and projected market demand for organic food. The Strategy accordingly sets measurable strategic objectives for each sub-sector up to 2025. To achieve these objectives there are 27 cross-sectoral actions and a range of sector specific actions detailed in Chapters Seven and Eight. These are the actions which the Group considers are necessary to further support the industry's development and achieve the growth targets to progress the sector. Responsibility for the implementation of these actions and achievement of targets set are assigned to Industry, DAFM, Government agencies and other stakeholders as appropriate.

The objectives established for the specific sub-sectors acknowledge the importance of promoting organic food production not alone having regard to market demand but with due consideration to climate change mitigation and biodiversity protection. However, the targets recognise the current very low production levels and are intended to provide a platform for further increases. In this context the group considered that the targets should be subject to review after five years.

In keeping with *FoodWise 2025,* the Group agreed that the Strategy needs a verifiable implementation process and has recommended the establishment of a specific Organic Food Strategy Implementation Group. This Group in turn would report periodically to the FW2025 High Level Implementation Committee.

Finally, the Group also considered the important role which state supports can play in helping to drive the growth of the sector. There are many such supports and these will come into sharper focus as the next Common Agricultural Policy is developed. The Group was tasked with examining in particular the case for re-opening of the Organic Farming Scheme under the current Rural Development Programme. This was recommended separately to the Minister who agreed with the proposal and re-opened the scheme on a targeted basis for new entrants.

Definition and Development of Organic Farming

3.1 Definition

Under the governing Council Regulation (EC) No. 834/2007 Organic production is defined as:

"an overall system of farm management and food production that combines best environmental practices, a high level of biodiversity, the preservation of natural resources, the application of high animal welfare standards and a production method in line with the preference of certain consumers for products produced using natural substances and processes"

The principles and methods employed in organic farming promote practices that co-exist with natural systems and help protect and enhance the environment. Organic farming places a strong emphasis on environmentally friendly practices, with particular concern for animal welfare. From an operational perspective, it concentrates on the nourishment of the soil through the use of natural inputs, avoids the requirement for herbicides, fungicides and insecticides by using crop rotations, maximises access to the outdoors using more appropriate breeds of animal, including traditional breeds, provides liberal space when indoors and excludes the use of GMO's.

Starting with the soil, organic crops and animals are produced by being provided with the very best that nature has to offer. In essence, Organic Food is produced in the most natural way and in compliance with strict EU Regulations.

3.2 Global Development of Organic Sector

The historical evolution of organic agriculture goes back to the beginning of the 20th century when improvements in biochemistry and engineering led to intensified conventional farming. Criticism of intensification and the use of synthetic fertilisers and chemical residues triggered the evolution of organic farming movements, mostly in certain European countries, from the 1920s onwards.

The first organic agriculture organisations and farmer's associations were established in the 1940s, including the first organic label Bioland, as well as Naturland and Demeter in Germany, Bio Suisse in Switzerland, Nature et Progrès in France and the Soil Association in the United Kingdom. In 1972 the International Federation of Organic Agriculture Movements (IFOAM) was created as a forum for different actors engaged in organic farming.

The latest data shows a continuing increase in organic farming in many countries, and the total organic area has increased to almost 58 million hectares, managed by over 2.7 million producers.[1]

1 Frick and Boon The World of Organic Agriculture, 2018

Market Outlook

4.1 Global Outlook –Major Growth Forecast

The global organic food market valued at some $124billion (€106 billion) is projected to grow at a Compound Annual Growth Rate (CAGR) of +16% between 2017 and 2022, to reach $262 billion (€224 billion) by 2022.[2]

The increasing market for organic foods is attributable to the growing health consciousness of consumers and a rising preference for organic food over non-organic food.[3] Part of this trend is a rising demand for further processed/ prepared organic food due to increasing numbers of working professionals, especially females and young people, who are looking for ready-to-eat and ready-to-cook products.

Retail chains are playing a major role in boosting sales of organic food by creating awareness and introducing various private label organic products at lower prices.[4] Major retail chains have also expanded their product lines to include organic food products. To offer choice and convenience to health-conscious consumers, adoption of organic food is also growing considerably across hotels and restaurant chains. Segment wise, organic fruit & vegetables continue to dominate the global organic food market, followed by processed food, dairy products, pulses & food grains, and beverages segments.

4.2 Europe

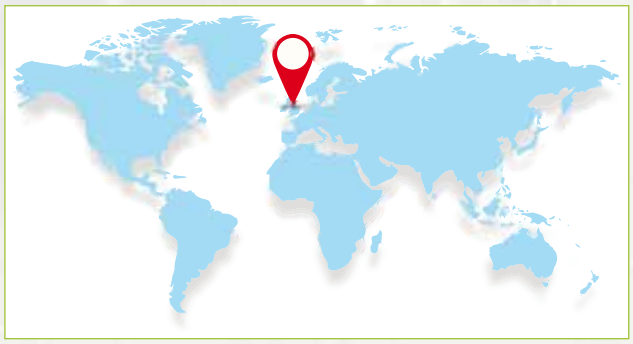
The European Union represents the second largest single market for organic products in the world after the United States. The organic market in Europe valued at €39.6 billion in 2016 continues to grow with projected growth of 14% (CAGR) from 2017–2022 to reach €86 billion by 2022. Between 2016 and 2022 the European market is expected to see increases in the share of the market of organic meat, poultry and dairy from 28.41% to 30.05% and organic bread & baked goods growing from a 15.8% to a 17.59% market share. The share of the prepared food sector is also expected to grow from 6.86% to 7.14%. The organic fruit and vegetables share of the market will remain flat at 27.81% to 27.71% and organic beverages and the organic 'other' category showing slight market share declines.[5]

Germany, France, Italy and the UK, comprise two-thirds of the European market with Central & Eastern European (CEE) countries having only a small market for organic products despite high levels of production in the region.

The core markets of France and Germany are showing significant growth. French organic food sales reached €7 billion in 2017, an increase of 20% from 2016, which is a continued double-digit growth trend in the sector over several years.[6] The German organic market is the largest in Europe having grown by an average of almost 8% annually since 2011 and is also expected to increase in value, with preference for meat, poultry, dairy, fruit, vegetable and prepared foods.[7] The largest per capita consumers of organic foods are in Alpine and Scandinavian countries, while the greatest market share for organic is Denmark at 8% of total food and drink. Growth in the retail market for organic food in these markets in particular is acting as a major driver of organic sales in Europe.

2 TechSci Research 2017
3 TechSci Research 2017
4 Global Organic Food Market Forecast & Opportunities, 2020
5 TechSci Research, 2017. *2012-2022 Global Organic Food Market.*
6 Agence Bio France
7 TechSci Research, 2017

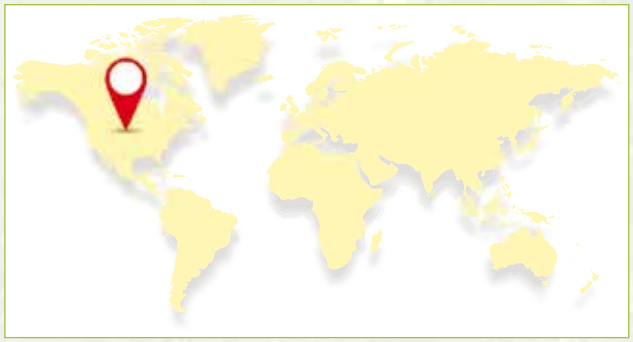
4.3 United Kingdom



The UK organic market is now worth more than £2.9 billion, growing 6% in 2017.[8] The market has now had six years of steady growth, with organic accounting for 1.5% of the total UK food and drink market. Supermarket sales of organics have also continued to increase, rising by 4.2% this year, while non-organic sales increased by just over 2%. Sales of fresh fruit and vegetables grew by 5.3%, while organic chilled foods grew by 21% and dairy by 3% to now account for 3.4% and 29% of the total UK organic market respectively.

69% of sales of total organic produce is sold through the major supermarkets,[9] which is in contrast to other European countries where the structure of the market is typically split between the larger supermarket groups and independent specialist stores. All the major supermarkets have an organic own brand range. Sainsburys is the UK's largest retailer of organic products but Waitrose significantly overtrades in organic with almost 5 times the size of their grocery share. The 31% of non-supermarket business is continuing to grow through independent stores and online sales.[10]

4.4 United States



The United States (US) organic market grew by 8.4% in 2016 with sales of over $47 billion.[11] Organic is now mainstream in the United States with 75% of all product categories in US supermarkets containing organic options.[12] Fruit and vegetables (40% of sales value) dominate the market, with dairy (15%), prepared foods (12%) and beverages (11%) also performing strongly. Married millennial parents, aged 18-34 and with children aged 5-10 years old, are the most likely demographic to buy organic in the US.

Increasing health concerns coupled with rising awareness regarding the use of pesticides, antibiotics and genetically modified organisms (GMO's) in food products has largely increased demand for organic food in the region.

4.5 Asia

Asia is showing some of the highest growth in the global organic food market. New research shows that two of the fastest growing markets for organic products are in China and India.[13] The Asia-Pacific organic food market was valued at $17.8 billion in 2016 and is projected to reach over $55 billion by 2022.[14]

Growing awareness of organic production methods in these markets coupled with rising disposable incomes are fueling demand for organic and sustainable foods. Both markets have a burgeoning middle-class who are willing to pay a premium for organic foods perceived to be healthier and safer than conventional foods. India already has the highest number (585,000) of organic producers in the world.

8 Soil Association – 2018 Organic Market Report
9 Bord Bia Report on Organic in UK 2016
10 Bord Bia Report on Organic in UK 2016

11 Organic Trade Association 2017
12 Natural Products Consulting, 2017
13 Global Organic Food Market Forecast and Opportunities 2022
14 Global Organic Food Market Forecast and Opportunities 2022

The Organic Food Sector in Ireland

5.1 Production

While the organic sector in Ireland is a small component of the agri-food sector, it is experiencing considerable growth at present. The area of land under organic production has expanded significantly under the current Rural Development Programme, thanks to the suite of supports that have been put in place. Latest figures indicate that there are now some **72,000 hectares** under organic production, an increase of nearly **50%** on the position at the start of the Programme in 2014. €56 million has been allocated to the Organic Farming Scheme under the current RDP with payments of €29 million issued to date. This scheme provides area-based payments to registered organic farmers. A further €8 million has been allocated to the Organic Capital Investment Scheme over the lifetime of the current programme. This scheme provides grant aid of up to 60% for qualified young organic farmers for investment in structures and equipment. There are currently 2,127 organic operators in Ireland, of which over 1,700 are farmers with the remainder comprising of processors, retailers, distributors and importers. The 1,700 farmers are predominantly livestock producers with a relatively small number engaged in tillage and horticulture. A breakdown of the enterprise type is outlined in Appendix 1.

5.2 Demand/Retail Market

The Irish Organic Retail market is worth €162 million with a further €44 million generated by direct sales. The market for organic food in Ireland grew by 10.5% in 2017.[15] This mirrors a growing trend right across Europe and underlines the opportunities for increased production of organic food products.

Consumer research shows that there is also a rising preference for organic food over conventional food in the Irish market.[16] The research disclosed that over 91% of Irish consumers believe that organic products are generally better than non-organics – with poultry, meat, eggs, seafood, vegetables and fruit especially preferred. The study underlined that high quality (38%) is the biggest driver for purchasing organic food, while the fact that the product is labelled as organic (34%) is also a significant reason to buy. Health benefits (29%), better taste (26%) and Irish origin (25%) also scored highly in the consumer research.

The research also found that the biggest barrier to buying organic in Ireland is cost, with 48% of consumers highlighting price as their key barrier. Lack of sales promotions (21%) and limited product ranges (19%) were also key barriers to purchase.

The key channel for organic purchases is the supermarket/discounter channel with 70% of organic purchases, which equates to just under €145 million of organic spend in the Irish market being made in this channel matching the international trend.[17] The top 3 performing organic categories have been vegetables (22% of total organic market), yoghurt (17%) and fruit (12%) respectively. Ireland has also developed a strong reputation internationally for its organic farmed salmon and is the biggest producer of organic salmon in the Europe. Demand for Irish organic salmon has grown by 11% since 2012 with the estimated value of the export market in 2015 reaching €64 million.

5.3 Production/Demand Alignment

The current profile and structure of the Irish Organic Sector largely dictates the challenges for the sector in meeting the market opportunities. While the area under organic production has increased, production patterns are not fully aligned with market opportunities. Most organic farmers are engaged in beef and/or sheep production with a relatively low number engaged in tillage and dairy. According to 2017 Bord Bia research, categories with the greatest growth potential in the domestic market are fruit and vegetables, and dairy. The potential for seafood to develop relative to current purchase levels is also recognised. The current profile of the Organic Sector therefore with a predominance of beef and lamb production limits the potential to avail of the growth opportunities that exist. Notwithstanding the fact that a large proportion of the total organic tillage crop is dedicated to oats, there is insufficient supply to meet demand. Furthermore, the insufficient supply of organic cereals and proteins is inhibiting the growth of the dairy, meat and aquaculture sectors. This deficit in supply also necessitates importation which increases costs of production and therefore

15 Bord Bia Research 2017
16 Bord Bia Research 2017
17 Bord Bia Research 2017

impacts competitiveness. The overriding challenge is 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.

5.4 SWOT Analysis

An essential prerequisite to the development of this Strategy is the establishment of the various development needs of the Organic Sector. To identify these needs and the strengths, weaknesses and opportunities that may impact on the future development of the sector, a SWOT analysis was carried out by Teagasc for this Report.

SWOT

STRENGTHS	WEAKNESSES
» High level of environmental sustainability and animal welfare. » Legal standing: EU regulation. » Internationally recognised logo. » Method of farming which encourages and fosters new ideas and innovations. » Compulsory training for all new entrants prior to entry to Organic Farming Scheme which improves technical and compliance performance of organic producers. » Broad range of Government supports for the sector.	» Small niche sector with lack of critical mass and extra transport costs relative to conventional. » Unbalanced value chain with leakage of produce to conventional in some sectors and limited value chain appraisal. » Social barriers to conversion and technical barriers to organic production at farm level. » Unclear routes to market and lack of market intelligence for primary producers. » Lack of market demand in certain sectors. » Consumer often unclear regarding organic food benefits. » Lack of targeted Government funding to match market demand for certain organic products in demand (e.g. cereals/pulses).
OPPORTUNITIES	**THREATS**
» Expected increased consumer demand for many organic products. » Increasing awareness of environmental and health issues at consumer level. » Increased demand from industry for organic cereals. » Ireland's clean green image - an ideal platform to market organic products. » Potential to increase local employment especially in horticulture. » Opportunity for increased income at farm level through lower costs of production, innovative production techniques (e.g. use of legumes for increased productivity) and higher market prices. » Possible Green Public Procurement opportunities for organic produce.	» Blurring of identity of organic products versus other brands e.g. ethical, environmentally friendly, "free -from" products brands especially "GMO free" and increasing consumer demand for these latter brands. » Increasing standards in conventional farming: "closing the gap" with organic. » Competition from other countries for market space. » Difficulty in maintaining and increasing productivity at farm level. » Brexit. » Anti-organic commentary.

Review of Action Plan 2013-2015

The overall strategy of the Action plan 2013 -2015 was to ensure profitable organic systems which would help maintain existing levels of participation in the Organic Sector and to attract new entrants. The objectives of the plan were to;

- Increase the production base in Ireland, with a view to replacing where possible imports with Irish organic produce.
- Promote awareness of the potential export market.
- Seek to develop sustainable export markets for Irish organic produce as supplies become available.
- Identify issues which are impeding the growth of the organic sector with an emphasis on developing solutions.
-

The following key issues were identified as essential to progress the sector;

- Market development.
- Training and education.
- Organic Farming Scheme.
- Increase consumer awareness.
- Green Public Procurement.

During the period of the Action Plan the value of the organic retail market in Ireland grew from €107.4 million in 2012 to €142 million in 2016, a 32% increase in value. Actions and initiatives on key issues identified within this plan are listed in Appendix 2.

Conclusion:

The Group considered that the objectives and key issues underlining the Plan remain valid. It concluded that the Action Plan has assisted in the increase in the area under organic production in Ireland. The Group noted that there has been a substantial increase in the value of the Irish organic retail market but it was not possible to determine how much of this was accounted for by Irish organic production. A full assessment of the impact of the Action Plan was inhibited therefore by a lack of information on actual production levels for the various sub-sectors in Ireland and their evolution. The Group recommended therefore that work on identification and compilation of more reliable production statistics, value chain analysis and identification of specific market opportunities for Irish organic food products needs to be progressed further to provide a more informed basis for addressing any barriers inhibiting the realisation of the growth opportunities for organic food in both the domestic and export markets.

Vision, Strategic Objectives and Cross Sectoral Actions

7.1 Vision

VISION

Our vision is for Irish organic food and drink, based on its natural production attributes, to be a desirable choice for farmers, consumers and retailers.

7.2 Strategic Objective

STRATEGIC OBJECTIVE

A consumer led viable Organic Food Sector in Ireland, enhancing the sustainability credentials of Irish food, which will produce a wide range of organic products to meet increasing domestic and export market opportunities.

The targets set for the individual sub-sectors recognise the importance of promoting organic food production not alone having regard to market demand but also the imperative of climate change mitigation and biodiversity protection requirements. However, the targets recognise the current very low production levels and are set at a level to build a platform for further increases. In this context the group considered that the targets should be subject to review after five years.

7.3 Sub-Sectoral Objectives

SUB-SECTORAL OBJECTIVES	
CEREALS & PULSES	Current production of organic cereals falls short of market demand. While it recognised that imports will continue to be necessary, the aim is to increase the area under organic cereals and pulses from 2,426 hectares in 2017 to 5,000 hectares.
DAIRY	Current organic milk production accounts for 0.11% of the national milk pool. Anticipated increasing global market demand over the period of the Strategy could provide an outlet for up to 7% of the national milk pool. The objective is to increase organic milk production annually by 10% over the lifetime of the plan with more significant increases possible thereafter.
HORTICULTURE	Organic Horticulture falls significantly short of meeting current market demand. Based on available data, 70% of organic fruit and vegetables are imported. The target is to encourage import substitution where possible and increase the area under organic horticulture from 524 hectares in 2017 to 750 hectares.
BEEF	Market opportunities for organic beef are anticipated over the period of the Strategy to increase to potentially account for 3% of annual national slaughterings. Notwithstanding uncertainty caused by Brexit the target is to increase organic cattle production from 0.8% of total cattle in 2016 to 1.6%.
SHEEP	There is currently an oversupply of organic sheep. The aim is to maximise organic sales to match current levels and pattern of supply, through a marketing campaign focussed on peak supply periods.
AQUACULTURE	To increase the quantity of salmon produced to organic standards from 20,000 tonnes to 26,000 tonnes.
POULTRY/EGGS	Increased market opportunities for organic poultry and in particular organic egg production are anticipated over the period of the Strategy. The aim to increase the area under organic cereals and pulses will impact positively on the potential for increased organic poultry.

7.4 Overarching Cross Sectoral Actions

To assist the achievements of the sectoral objectives the following overarching cross sectoral actions are recommended.

OVERARCHING CROSS SECTORAL ACTIONS				
	TARGETED AREA	**ACTIONS**	**LEAD ROLES**	**TIMEFRAME**
1	**Sectoral Profile**	» Finalisation and publication of a Value Chain Analysis focusing on the production of supply statistics by sub-sector. Supply statistics to be updated regularly.	Teagasc, DAFM & NUIG	2019 - Complete Supply Statistics 2020 - Complete Value Chain Analysis
		» High profile and effective dissemination of information to producers with emphasis on cost/revenue advantage of organic production.	Teagasc	Ongoing
		» Engage annually with processors and retailers to generate insight on the challenges and opportunities created by supply and demand issues.	Bord Bia, DAFM & Teagasc	Annually
		» Disseminate information regarding potential changes in legislation that may impact the organic sector in a structured and timely manner.	DAFM	Ongoing
		» Continued focus on sector through Implementation Group.	DAFM	2019 and bi-annually
2	**Education, Training and Research**	» Explore greater efficiency and performance of organic production and disseminate information to producers.	Teagasc & DAFM	Ongoing
		» Explore potential for knowledge transfer initiative for organic sub-sectors.	Teagasc	6 months
		» Encourage the formation of producer groups (formal/informal) to facilitate knowledge transfer and strengthening of marketing of organic products.	Farming Organisations & Teagasc	Ongoing
		» Include organic farming in educational programmes especially a module in the Green Cert Course and promote establishment of Master's Course in Organic Farming.	Teagasc & Universities	Ongoing
		» Promote local seed production and registration of organic seed on Seed Database.	DAFM, OCBs & Teagasc	Ongoing

OVERARCHING CROSS SECTORAL ACTIONS (cont.)				
	TARGETED AREA	**ACTIONS**	**LEAD ROLES**	**TIMEFRAME**
3	**Market Identification and Activation**	Greater emphasis and funding by Bord Bia, including the use of EU co-funding, on promoting organic food.		
		» Create a multi-annual marketing strategy plan to target specific opportunities for organic products on domestic and international markets.	Bord Bia	Annually
		» Assist the industry to co-ordinate any co-funding proposals and applications under the EU Co-Funding for the Promotion of Agricultural Products Scheme.	Bord Bia	2019
		» Promotion activities to increase consumer understanding of organic products, awareness of organic product availability and seasonality.	Bord Bia	Annually
		» Explore the potential for an annual National Organic Week or a focused national campaign to be run in conjunction with the organic industry.	Bord Bia	Ongoing
		» Communicate any specific market interest for organic products to Industry.	Bord Bia	Ongoing
		» Biennial purchasing of Kantar data to share with producers.	Bord Bia	Biennially
		» Communicate relevant upcoming events to certification bodies to ensure producers are aware of Bord Bia's capability building activities.	DAFM, Bord Bia, Teagasc & Industry	2019
4	**Regulatory Framework**	» Continued application of regulations to protect integrity and underpin security of the Sector.	DAFM & OCBs	Ongoing
		» Improve communication to stakeholders concerning legislation relevant to the organic sector.	DAFM	Ongoing

OVERARCHING CROSS SECTORAL ACTIONS (cont.)				
	TARGETED AREA	**ACTIONS**	**LEAD ROLES**	**TIMEFRAME**
5	**Organic Procurement**	» Promote awareness of Green Public Procurement opportunities for organic food producers.	DCCAE, OGP & DAFM	Ongoing
		» Encourage the use of organic ingredients in the hospitality sector.	Industry & OCBs	Ongoing
		» Develop a pilot project under public procurement to demonstrate advantages of the use of organic food.	DAFM & OCBs	2019
6	**Organic Sector Post 2020**	» Support conversion to organic farming via Organic Farming Scheme.	DAFM	Post 2020
		» Adjustments to the Scheme to make it more effective and market focused to be considered in the light of CAP post 2020 proposals and a new RDP.	DAFM	Post 2020
		» Apply selection criteria to OFS application process annually and limit to a fixed annual budget to increase potential for scheme to open more frequently over RDP period.	DAFM	Post 2020
		» Review potential to restructure Organic Capital Investment scheme to facilitate group purchases of farming equipment.	DAFM	Post 2020
		» Explore potential to support Suckler Cow Sector	DAFM	Post 2020

Sub-sector Analyses and Actions

Having considered the overall development of the Organic Food Sector the Group examined each of the sub-sectors. SWOT analyses in respect of the sub-sectors carried out by Teagasc and BIM (in respect of aquaculture) facilitated that examination and a series of sub-sector specific actions were recommended by the Group.

8.1 Organic Horticulture

The organic horticulture sector in Ireland is small. In 2016 there were 300 organic growers in Ireland. Based on areas declared under the DAFM Basic Payment Scheme in 2017, there are 524 hectares under organic horticulture which incorporates field scale vegetable production. For horticulture producers, there are four main routes to market namely box schemes, farmers markets, on farm shops and the retail sector.

Organic fruit and vegetables has been identified by Bord Bia as one of the categories with the greatest growth potential. Bord Bia research has established that currently some 70% of organic fruit and vegetables is imported. While it is accepted that on-going importation of some horticulture products is necessary, the high percentages attributable to certain organic vegetables which are bought regularly indicate that import substitution is possible e.g. carrots, tomatoes, potatoes, onions, broccoli, mushrooms. Scale and consistency of supply remain the main limiting factors to expanding the availability of Irish grown organic vegetables and needs to continue to be the focus of attention for the immediate future.

SWOT

STRENGTHS	WEAKNESSES
» Most prominent food choice for the organic consumer. » Market is available. » Economically viable full-time farm income achievable on a small holding. » Organic Growers of Ireland apprenticeship scheme works well. » Polytunnels in Ireland enable production of an extensive range of crops across seasons. » Quality and taste of local Irish produced organic produce is considered very high.	» Lack of clear commercial market for new entrants. » High skill level and interest required. » Broad location of small operator supply base versus other countries resulting in higher costs of getting produce to wholesale or non-local retail/consumer markets. » Maintaining continuity of supply throughout the year to meet retail demands. » Higher costs and more labour intensive. » Low levels of income in formative years of business and lack of uptake of Organic Farming Scheme support.
OPPORTUNITIES	**THREATS**
» Growing demand for locally produced food. » Import substitution. » Health benefits and lifestyle trends. » Opportunity for local employment in rural areas. » Opportunity to earn viable income off a relatively small land area. » Opportunity for co-operation and specialisation amongst growers. » Public procurement outlet.	» Competition from cheaper imports. » Risk of crop failure. » Lack of clear market routes and education. » Lack of land availability. » Lack of critical expertise from the industry in terms of advisors.

8.2 Organic Cereals & Pulses

According to DAFM figures, the area under organic cereal and pulse production in 2016 was 2,304 hectares of which 968 hectares were oats. In 2016, organic cereals represented 0.8% of total cereal production in Ireland. The area under organic cereals increased in 2017 to 2,426 hectares of which 1,181 hectares were oats. Notwithstanding the large proportion of the total organic tillage crop dedicated to oats, supply of oats remains insufficient to meet demand. It is estimated that current supply of organic oats produced domestically account for only 40% of the existing demand for the breakfast cereal market alone.

With such a large area of total organic tillage devoted to oats, there is insufficient supply of organic cereals and proteins to meet demand from other sub-sectors. It is estimated that we currently produce 7,500 tonnes of organic cereals, excluding arable silage, while the current demand, excluding the fisheries industry, could exceed 23,000 tonnes. A large percentage of the current Irish market for organic feed is being imported. The deficit in domestic supply is a factor which is inhibiting growth and further development of the organic dairy, meat, poultry and aquaculture sectors. The potential opportunity for import substitution by developing an organic animal feed industry based in Ireland is clear. Organic combi-crops, which are a mixture of a spring cereal and spring pea, are becoming increasingly popular, and are recognised as a simple cost-effective way to grow cereals and protein to feed livestock.

SWOT

STRENGTHS	WEAKNESSES
» Clear domestic market demand. » Relatively high profitability versus other sectors and conventional tillage. » High yield potential for organic cereal growing in Ireland versus other countries. » Relatively low input costs. » Price premiums and contracts available. » Fits in well with an organic rotation. » Oats are relatively easy to grow.	» Niche market. » Small and spatially dispersed supply base. » Very different husbandry practices versus conventional which presents a barrier to conversion. » Lack of storage facilities on many cattle farms to store purchased cereal grains. » Lack of suitable machinery in many areas. » Lack of technical knowledge for larger operators especially for rotational crop planning, weed control and building soil nutrients. » Reliance on imports for much of the concentrate requirements.
OPPORTUNITIES	**THREATS**
» Increasing dairy and meat sectors and especially, an increased forecast demand for porridge oats. » Nutritional and health benefits of grains fit in well with organic reputation. » EU regulation: need to produce more on-farm feed. » Low profitability of conventional tillage in recent years. » Small scale of some producers means such operations can target high value markets. » Potential to establish Irish feed compounder and increase Irish organic cereal/pulse production with aim to reduce dependence on imported feed.	» Lack of scheme availability to encourage more conversion. » Lack of grower ability and knowledge to meet technical requirements of growing organic crops. » Many organic farmers not in traditional tillage areas. » Price sensitivity at farm level in event of sudden increase in supply. » Lack of knowledge and research on husbandry management and suitable varieties.

8.3 Organic Dairy

Organic dairying is a small but growing sector within the dairy industry in Ireland with approximately 45 farmer operators, an increase of approximately 50% since 2015. Organic dairy farmers are extensively located across Ireland with over one-third of organic dairy farms located in counties Cork, Limerick and Tipperary. Farmers are involved in both winter and spring milk production. At present the main demand is for liquid milk, fresh milk and yogurts but there is also a growing demand for milk to manufacture cheese and other products.

Recent Bord Bia research shows that 66% of shoppers surveyed, buy organic dairy products namely milk, yogurt, cheese and butter on a regular basis. While organic dairy has been identified as one of the categories with the greatest potential for growth, the increased uptake of conventional dairying since the removal of the milk quota combined with the cost of imported organic feedstuffs are inhibiting factors.

With the removal of quotas in 2015 milk production in Ireland has increased from 5.7 billion litres to 7.4 billion litres in 2017. Nonetheless the Irish dairy sector continues to predominantly rely on the dairy commodity sector and the challenge for the industry has been to identify suitable products and markets for this increased milk pool. The reliance on cheddar exports to the UK has been brought into sharp focus due to the Brexit decision. The need to diversify into more value-added product ranges has long been recognised as key to alleviating some of the risk and uncertainty associated with volatile commodity markets. The recent changes to EU regulations which will facilitate the growth of the organic Infant formula category is also an important consideration. Against this background and the increasing demand for organic dairy products there would appear to be an opportunity for the growth of organic dairy enterprises.

SWOT

STRENGTHS	WEAKNESSES
» Low cost grass-legume based production system. » Existing excellent reputation as a country to produce milk. » Relative historic stable organic milk price versus conventional. » Farm level profitability relatively high versus other organic sectors. » Profitability on a per litre of milk basis is potentially competitive versus conventional.	» Niche market. » Very low production base and spatially dispersed location of producers. » Relatively high profitability levels of conventional dairying; lower profitability levels for organic versus conventional dairying per hectare. » Lack of farmer ability to meet technical requirements (growing high yield and quality forages without artificial fertilizers). » High cost of bought-in organic feed especially for in-conversion producers and reliance on other countries for much of the concentrate requirement. » Land availability - organics needs more land versus conventional.
OPPORTUNITIES	**THREATS**
» Growing demand for organic milk internationally. » Growing demand for organic infant formula would suit traditional spring milk production system prevalent in Ireland. » Labour saving option if enough land is available. » Clover-grass swards and combi-crops for increased production/financial performance.	» Lack of premium and scheme support during the conversion period. » Competition from other premium products e.g. "GMO free butter" and "antibiotic free" etc.

8.4 Organic Beef

Based on 2016 Eurostat statistics, organic cattle represent 0.8% of the national herd while organic meat production equates to 0.26% of total meat production in Ireland. In February 2017, according to the Department of Agriculture, Food and the Marine, there were approximately 1,400 organic cattle farms in Ireland, most of which were suckler farms. In total there were over 59,000 cattle, including 18,500 suckler cows, farmed organically.

A substantial percentage of total sales of organic beef takes place through retail outlets in western Europe. With economies of countries in the region growing and the increasing preference for organic food products, the retail market for organic beef is also expected to exhibit substantial growth both in the EU and in third country markets.

SWOT

STRENGTHS	WEAKNESSES
» EU Regulation: highest standard certification option for beef from Ireland. » Existing good reputation of beef quality from Ireland. » Relatively low residue levels. » Existing excellent green image. » Cattle fed mainly off grass.	» Inefficient supply chain, leakage of younger cattle to conventional. » Lack of scale and spatially dispersed location of producers. » Unlike conventional, information on market prices for animals not readily available. » Skills and technical knowledge for higher stocked farmers. » High cost of bought-in organic feed and reliance on other countries for much of the concentrate requirement.
OPPORTUNITIES	**THREATS**
» Relative ease of conversion especially for lower stocked farms. » Growing organic market for organic beef both domestically and abroad. » Formation of linkages between weanling/store producers and finishers and potential for producer groups. » Number of large potential established processors. » Clover-grass swards and combi-crops for increased production and winter feed.	» Competition at retail level from organic product from other EU countries. » Lack of sufficient beef finishers resulting in leakage of younger animals to the conventional market. » Competition from other premium products e.g. breed branded products, "grass fed" etc. » BREXIT. » Failure to measure the impact of organic production on the environment.

8.5 Organic Sheep

Based on 2016 Eurostat figures, organic sheep represent 1.9% of total sheep production in Ireland. The National Organic Sheep Census 2016 conducted among certified members of the Irish Organic Association and the Organic Trust, found that the total number of organic sheep was 69,907, of which 33,135 were ewes and 36,772 were lambs. The four counties with the highest number of organic sheep at that time, were Galway, Cork, Kerry and Roscommon. This survey found that 72% of organic lambs were sold as conventional in 2016. The market for organic lamb therefore is a major challenge, with seasonality and consistency of supply regularly referred to as limiting factors.

Securing a critical mass of finished organic lambs which meet the desired market specification is a challenge for processors and producers in supplying high value markets. To achieve the full value potential across the organic supply chain there is a necessity to coordinate the orderly supply of finished organic lambs to the desired market specification, to organic approved processors.

SWOT

STRENGTHS	WEAKNESSES
» Fits in well on organic farms in terms of weed control. » Fits in well on organic farms in terms of clover maintenance in pastures. » Grass based production system. » Positive environmental impact on hills. » Clean green reputation of Ireland.	» Niche underdeveloped market with no contracts available. » Seasonality of supply. » Lack of scale, inefficient value chain and spatially dispersed location of producers resulting in leakage to the conventional market. » Low premium on organic product at processor level and possibly low demand for the product at a price to cover additional cost relative to the conventional system. » High price point of lamb at consumer level.
OPPORTUNITIES	**THREATS**
» Relative ease of conversion especially for lower stocked farms. » Growing organic market in Europe. » Growing ethnic population. » Exploitation of Ireland's green image and lamb as a natural product to improve lamb export performance. » Clover and forage crops for increased production and reduction in concentrate feed requirement.	» Growth in demand for the product will not be enough to justify increased production. » Competition from other countries for access to markets. » Maintaining and/or increasing consumption levels.

8.6 Organic Aquaculture

Organic aquaculture production in Ireland is composed of two main species, Atlantic salmon and mussels, (both rope and seabed grown).

In 2017, 20,000 tonnes of salmon were produced to organic standards. This is 100% of the national production with a value of €147 million. This is a 40% increase over 2016 even though growth in volume was only 25%. The market for organic salmon is increasing year on year. The premium gained by organic salmon is between 20% and 30% over conventional global production. While Irish salmon production is vital to the Irish seafood sector it is relatively insignificant on a global scale where production is estimated to have been 2 million tonnes in 2017. The production levels in organic mussels are at a relatively low level in comparison to the salmon sector. Approximately 4,000 tonnes of mussels are produced in Ireland under organic management systems. The value of the product also remains relatively low, as the conventional price on the global market remains depressed and there is little premium currently attached to organic mussels. This is primarily due to lack of scale and ability to create a niche in the market place.

Organic products currently account for almost 4% of total aquaculture in Europe and reached an estimated 52,000 tonnes in 2015. Ireland is by far the leading producer of organic aquaculture species with an EU production share of 42% followed by Italy (16%) and France (8%).[18] European aquaculture has seen very positive growth since 2012, especially for salmon, trout, seabass, seabream, mussels and oysters. The scope for growth of the organic aquaculture sector is therefore recognised by all stakeholders.

SWOT

STRENGTHS	WEAKNESSES
» Reputation of the product in the market. » Irish organic salmon well-regarded "brand" in the marketplace. » Organic certification improves competitiveness in marketplace.	» Availability of sites. » Licencing process is complex and lengthy. » Public perception and acceptance of fish farming.
OPPORTUNITIES	**THREATS**
» Estimated market demand for a minimum of 40,000 tonnes of organic salmon. » New markets in Asia remain relatively unexplored.	» Non-compliance by aquaculture operators with the terms and conditions of aquaculture licences. » Potential markets for mussels but the ability to provide product to them throughout the year is proving a difficulty.

18 Eurostat

8.7 Organic Poultry/Eggs

Organic poultry production in Ireland forms a small element of organic farming enterprises. Current statistics on organic poultry indicate there are 96,000 organic layers and 22,000 organic broilers in Ireland at the end of 2017.[19]

Organic poultry production is significantly more expensive than conventional poultry products due primarily to the cost of organic feed as it is 80% more expensive than feed for conventional production. Growing cycles are longer; birds are afforded natural conditions such as grass paddocks, straw bedding and perches. Consequently, organic products must command a premium price over conventional products to ensure viability of the enterprise. All poultry products are highly perishable and as such a market must be procured well in advance of sale.

The market is as yet underdeveloped but it would appear that opportunities exist for poultry producers to generate products with organic symbol status.

SWOT

STRENGTHS	WEAKNESSES
» Growing market demand domestically and globally. » Higher farming standards versus conventional/free–range.	» Niche market. » High cost of organic feed. » High retail product price versus conventional/free-range.
OPPORTUNITIES	**THREATS**
» Access to markets abroad especially The Middle East. » Provides farm income from relatively small holdings.	» Uncompetitive input feed costs. » Consumer confusion about organic versus free range.

19 Eurostat

8.8 Specific Actions by Sub-sector

HORTICULTURE		
ACTION	**LEAD ROLE**	**TIMEFRAME**
Encourage and facilitate organic horticulture producers to co-operate informally or to participate in a recognised Producer Organisation.	Teagasc, Farming Organisations & OGI	Annual
Retail market assessment to identify specific market opportunities for Irish organic horticulture.	Bord Bia	April, 2019
Incorporate organic horticulture into Teagasc apprenticeship programme and include an Organic Demonstration Farm Walk as part of course.	Teagasc	2020
Organise a workshop on assisting growers with seed variety choice.	DAFM & Teagasc	2020
Improved dissemination of all research related to organic horticulture from Irish research institutions.	Universities, Teagasc	Ongoing
Continue to support Organic Horticulture Internship Programme.	DAFM & OGI	Annual
Examine possibility of significant increases in the Organic Farming Scheme payments for small scale horticulture producers.	DAFM	2020
Incorporate fruit demonstration within Organic Demonstration Farm Programme.	DAFM, Teagasc	Annual

CEREALS		
ACTION	**LEAD ROLE**	**TIMEFRAME**
Higher profile for organic cereals in the Organic Demonstration Farm Programme.	Teagasc	Ongoing
Promote engagement between potential producers, industry and OCBs to encourage conversion.	DAFM	Ongoing
Demonstrate profitability of organic cereals.	Teagasc	Ongoing
Highlight market demand for organic cereals.	Industry, Teagasc	Ongoing
Protein payment for organic combi-crop post 2020 to be considered.	DAFM	Post 2020

DAIRY		
ACTION	**LEAD ROLE**	**TIMEFRAME**
Set Up Organic Dairy Discussion Group.	Teagasc	2019
Hold technical seminars to improve producer knowledge.	Teagasc	2019
Develop blueprint for organic milk production.	Teagasc	Ongoing over 3-year period
Engagement with Co-operatives on market opportunities for organic dairy.	Bord Bia	Ongoing
Monitor trends and developments in global organic dairy production and consumption.	Bord Bia	Ongoing

MEAT		
ACTION	**LEAD ROLE**	**TIMEFRAME**
Capture and report organic prices into weekly market data to aid transparency.	DAFM, Bord Bia & Industry	July 2019
Explore potential for Irish organic meat in target export markets and market segments.	Bord Bia & Industry	Ongoing
Promote best practice to improve profitability of and to highlight environmental credentials of organic dry stock production.	Teagasc	Ongoing
Processor/Producer communication to be developed further through producer groups.	Industry & Farming Organisations	Ongoing
Promote best practice for forage crops and red clover production.	Teagasc	Ongoing
Assess the economic performance of organic beef farming using a system modelling approach.	Teagasc	Ongoing over 3-year period

AQUACULTURE		
ACTION	**LEAD ROLE**	**TIMEFRAME**
Promote organic aquaculture products in new and existing markets.	Bord Bia	Ongoing
Explore potential for Irish organic mussels in export markets.	Bord Bia	Ongoing
Highlight requirement for organic feed and feed ingredients and explore potential for Irish source of organic feed.	BIM	2019
Identify and secure sources of organic juveniles and ova.	Industry	Ongoing
Arrange technical seminars to improve producer knowledge of organic systems and legislation.	OCBs and BIM	2019-2021

POULTRY/ EGGS		
ACTION	**LEAD ROLE**	**TIMEFRAME**
Publish updated technical guidelines regarding organic poultry production.	Teagasc	2019
Undertake research in the Irish market to understand consumer behaviour in the organic egg category.	Bord Bia	2019

The Organic Farming Scheme

9.1 Supports

Financial supports are available to support organic food production under the Organic Farming Scheme, the TAMS Organic Capital Investment Scheme and the Organic Processor Investment Grant Scheme. The upsurge in interest illustrated by increased participation in the Organic Farming Scheme under the current Rural Development Programme, represents the first real expansion of the production sector on the ground for many years and is very encouraging.

Currently there are 1,588 organic farmers in the Organic Farming Scheme. This is a major step forward. Together, these farmers manage c.72,000 hectares of land. The target for the RDP was to attract some 16,000 hectares of new land into production and to support 46,000 hectares of converted land. This target has been exceeded.

9.2 Targeted Re-opening of the OFS

The scheme was closed to new applicants and the Group concluded that this was impeding the development of organic farming in Ireland. The group considered that there is sufficient justification to reopen the OFS from 2019, targeted at areas for which there is a clear market demand and which are critical to the further development of the organic sector namely horticulture, cereals and dairy.

Notwithstanding the lack of scope for making any changes under the current Rural Development Plan, selection criteria to facilitate a targeted reopening were agreed by the Group. Based on the recommendation of the Group the Minister of State reopened the OFS in November 2018 on a targeted basis. Information made available to the group by Teagasc and the Organic Control Bodies predicts that there are sufficient farmers in the targeted categories considering converting to organic production although actual demand cannot be determined until applications are assessed. The Group were of the view that this limited action was essential to give a renewed impetus to the organic sector.

9.3 Operation of the Scheme Post 2020

The Group considered the question of the operation of the OFS after 2020. The inclusion of an Organic Farming Scheme in a new Rural Development Programme was considered essential to stimulate and support increased organic food production. As there will be more scope for adjustments to the scheme under a new Rural Development Programme, consideration was given by the Group to how it might operate more effectively in stimulating organic production in areas where market opportunities are greater.

The need for higher conversion payments in the case of dairy and tillage was highlighted. As regards organic tillage, the main focus in recent years has been the increased production of porridge oats. Producers of organic porridge are targeting oats producers in Ireland as currently they are importing up to 3,000 tonnes of organic oats annually. The other main area for organic tillage lies with cereal and bean production for animal feeds. The lack of a dedicated organic animal feed processor in Ireland is impacting on the potential growth of the sector. The vast majority of compound organic animal feed being sold in Ireland is being imported from Europe. The high cost of importing organic animal feed is impacting the competitiveness of the organic sector. Market research on the current requirements for animal feed indicates that there is requirement in the region of 23,000 tonnes annually excluding aquaculture. A higher Organic Farming Scheme payment therefore is deemed necessary to encourage greater production of organic cereals. Consideration should also be given to increasing the hectarage threshold to encourage larger scale operators into the scheme. The growth in scale if achieved will enhance the potential opportunity for a viable domestic compounding facility.

As regards dairy, the abolition of milk quotas in 2015 has made the conventional dairy sector a very attractive enterprise. Nonetheless the need to diversify into more value-added product ranges, including organic, is key to alleviating some of the risk and uncertainty associated with volatile commodity markets. The uncertainty and challenges generated by Brexit has intensified the need to diversify into other markets and has also put a focus on the development opportunities of other enterprises such as organics. In this context a substantial increase in the Organic Farming Scheme payment during the first two years of conversion would help compensate farmers converting to organic production during this initial period when the dairy produce cannot be marketed as organic.

With regard to horticulture, according to Bord Bia research in 2017, sales of fruit and vegetables make up 34% of the Irish organic market. As almost 70% of organic fruit and vegetables are imported there are clearly opportunities for Irish producers, both established growers and new entrants, to substitute imports. The higher Organic Farming Scheme payment structure, which is in place for horticulture producers is reflective of the small-scale enterprises that exist in the organic sector, where many holdings are less than 3 hectares. In order to stimulate additional conversion to organic horticulture production it is considered that the payment rate should be significantly further enhanced for small scale horticulture producers.

The question of substantially increasing conversion payments focused attention on whether the existing payment structure should be maintained post 2020. A substantial increase in the conversion payment to stimulate increased production in sub-sectors, other than beef and sheep, and the tapering off of maintenance payments after five years was suggested. However, the majority of the group took the view that the current payment structure, whereby there is support for conversion in the first two years and a maintenance payment for the remaining three years should continue. While both proposals were considered, it was accepted that a final decision on the Scheme post 2020 could only be made when there is further clarity on changes to the CAP post 2020 and within the context of the new Rural Development Programme.

In any event it was suggested that selection criteria should be applied annually, and the OFS application process limited to a fixed annual budget to avoid all monies being consumed in the first year of the programming period and to enable the Scheme to be open more frequently over the lifetime of the RDP.

Implementation

The recommendations made within this Strategy are primarily aimed at promoting organic food production in line with market demand and addressing the shortfall in specific sub-sectors. These measures address some of the key issues arising from our review of the previous Action Plan on Organic Farming and the submissions received as part of the public consultation process.

The implementation of the actions detailed in this Strategy is regarded as a priority and critical to the further development of the Organic Sector in Ireland. While the sector is a small component of the Irish agri-food sector its development is important in terms of responding to the marketplace and meeting increasing broader societal demands.

Given the sector's embryonic nature it will require continued focus and attention to assist it to realise its potential. For this reason, the Group recommends the establishment of an Implementation Group to monitor the implementation of this Strategy and to ensure progress is made within the timeframe envisaged. Furthermore, the Implementation Group would serve in bringing stakeholders together to maintain a specific focus on the development of the sector.

It is recommended that the Implementation Group should include industry representatives and representatives of the organisations and state bodies to whom a lead role is assigned. It is also recommended that any such Group should meet within one month of the publication of this Strategy and at least once every six months thereafter.

Appendix 1

Breakdown of Organic Farming Enterprises in Ireland

Number of organic operators 2,127 of which 1,700 are farmers. Total area under organic production 72,000 hectares. (2% of Total U.A.A)

	Cattle	Sheep	Horticulture	Cereals	Poultry/Eggs	Dairy	Aquaculture
Enterprise Type * (No. of farmers)	1400	600	300	161	150	45	44
Production	* 50,000 Bovine animals excl. dairy cows 15,000 for slaughter	* 63,650 incl. 43,806 ewes, ewe lambs 1.9% of total sheep flock	Veg - 248 hectares Potatoes - 33 hectares Fruit - 41 hectares	Production excl. arable silage Circa 7,500 tonnes 0.8% of total cereal production	96,000 layers 22,000 broilers	2,912 dairy cows 0.11% of total milk production	20,000 tonnes salmon 4,000 tonnes mussels

**** (Cattle & Sheep) ~ 0.26% of Total Meat production***

****(Enterprise Type) ~ some farmers may have a combination of enterprise type***

Actions and Initiatives on Key Issues 2013 -2015

Market Development

- Biofach — Sales achieved of €7-8M approximately.
- 2013 — Organic Consultancy & Gap analysis.
- 2013 — National Organic Conference (NOTS) – 2-day conference with over 200 participants each day.
- 2014 — Dusseldorf Market Study – 13 companies participated.
- 2014 — Foresight for food – 4 companies participated.
- 2014 — Consumer research – presented in Bord Bia offices to 30 attendees.
- 2014/15 — Advertorial Campaign.
- 2014/15 — Tailored mentoring sessions – 24 companies participated.
- 2015 — French Market Study – 15 companies participated.
- 2015 — Organic Industry seminar day – 50 participants.

Training and Education 2013-2015

- Teagasc organic courses.
- Organic Demonstration Farm Walks.
- Economics of Organic Farming and Market Opportunities (IOFGA).
- Organic Farming Internship Programme (OGI).
- Organic Farm to School (IOFGA).
- School Garden at Bloom.

Economics of Organic Farming and Market Opportunities

- 2013 - Coolanowle organic farming was aimed at farmers interested in converting their farms. Over 90 people attended.
- 2014 - 3-day event on Dairy, Tillage and Beef economics. Almost 200 people attended the 3 events. Many who attended subsequently came into the Organic Farming Scheme in 2015.
- Organic Farming Internship Programme 2014-2016 (OGI).
  - 18 interns have gone through the programme
    - 2 have started their own growing business,
    - 5 are raising capital to start land enterprises,
    - 1 working in the UK organic sector,
    - 6 continued to work on their host farms after their internship finished.
  - 8 different Host Farms participated.
  - 21 Work Shops were held.
  - 40 Farm Walks conducted.
  - 2 Seminars – 220 people attended over 2 years.
  - All delivered under budget - less than €60k over the 3 years.
  - Organic Farm to School Programme (2014-17)
    - 1st Programme 2014/2015 – was rolled out to 4 secondary schools, selected nationally and linked to a local organic farmer.
    - 2nd Programme 2016/2017 – rolled out to a further 6 secondary schools, expanding the project. Ending in April 2017 with a one-day event at Airfield highlighting organic food and farming.
  - Organic School Garden at Bloom:
    - 25-30 primary schools visit for the first 2 days each year,
    - Tour includes education re EU organic label,
    - Discussions on organic principles and gardening are held.

Organic Farming Scheme

By 2016 there were 2,127 registered organic operators, which was a 30% increase from 2012. Of these approximately 1,600 are OFS participants, which is a 57% increase compared to 2012

- The first tranche of the new scheme attracted 942 applications.
- A second tranche attracted 322 applications.
- 680 of those applicants are converting to organic farming for the first time.
- Highest number of applications received previously was 380 applications in 2010.

The RDP target was to increase participation by 50% - this has been achieved.

Increase Consumer Awareness

- Hotel and Catering Review Magazine – Adverts showcasing the diverse range of organic products available to the catering sector (IOFGA).
- Cater Organic – 2-day event opening up the process for organic suppliers to work more with caterers (IOFGA).
- National Organic Food Fair – 1 day event showcasing businesses with talks and cooking demonstrations (OT & IOFGA).
- Organic Food Sales Database – The online database was designed in 2015 to promote organic food to retailers, consumers and the catering sector, and went live in 2017 (IOFGA).
- 2014 - National Organic Awards; 6 categories and 110 entries received.

Green Public Procurement

- Green Tenders – Action Plan on Green Public Procurement launched in 2012.
- Green Public Procurement Guidance for the Public Sector published by DECLG in 2014.

Notes

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www.agriculture.gov.ie