

PRE BUDGET SUBMISSION FROM THE IRISH ORGANIC FARMERS AND GROWERS ASSOCIATION (IOFGA)

The government has set a target for 5% of farming land to be certified as organic by 2012. IOFGA believe that this is achievable however a structured plan needs to be developed by the government in order to realise this target.

The demand for organic food is rising in this country and is currently estimated to be worth €66m per annum. By 2012 this is projected to rise to €400m. Production levels need to increase significantly if this demand is to be met with Irish organic products rather than imported products. If the demand continues to increase as projected then it will mean a significant increase for government revenue from the sale of organic products.

The organic sector has progressed rapidly in other European countries while remaining stagnant here in Ireland. One obvious reason for this has been that investment in the sector has been relatively small. This is one key area that IOFGA believe needs to be addressed by the government if the 5% target is to be achieved.

ESTABLISHMENT OF A DEVELOPMENT AGENCY

The development of the organic sector which is the fastest growing agricultural sector globally will be essential in the next 5 years in Ireland. In order to drive this development an Organic Development Agency needs to be established. The existing structures have been inadequate and have not resulted in a growth in number of producers while witnessing a growth in the demand for organic products. A new agency will promote and co-ordinate the development of all aspects of organic production and marketing in Ireland including advisory, research and training. The agency should comprise of expertise from producers, processors, certifying bodies and trainers from the organic sector. A driven agency will ensure that the government target of 5% is achieved.

In conjunction with the establishment of a new Development Agency, IOFGA would like to see an additional budget of €20m for the organic sector over the next 5 years. There are priority areas where this investment should be made;

1. **Conversion Support.** The conversion period is an essential period for farmers and it is our considered opinion that €5m should be given to establish a specific organisation to offer advice and training for farmers to ensure that they have the knowledge to become successful organic farmers.
2. **Research and Training.** While acknowledging that research has been carried out by Teagasc in recent years there is still a large deficit with regard to research in organic farming in Ireland. Horticulture is an area which needs major investment with regard to research as there is virtually no organic horticultural research carried on in this country. Research into other areas such as markets, economics, and demographics needs to be carried out to ensure that the sector develops. Training in organic farming needs to be expanded and offered at every level from vocational to post graduate level. €10m should be allocated to develop training and research in organic farming.

3. **Consumer Information.** Consumer awareness about organic food needs to be increased. Education about the importance of organic production for environmental sustainability and for economic development needs to be heightened. The government should allocate €5m towards the establishment of a consumer educational campaign to promote organic farming.
4. **Organic Development Plan.** The current organic development plan has not been successful in meeting its goals. Funding needs to be put in place so that a new development plan can be implemented. The new development agency should draw up this plan to ensure that Ireland achieves a target of 5% organic land by 2012.

There are very few economic resources directed towards the organic sector in Ireland. As a result there is very little reliable data regarding the economic performance of the sector. What we do know is that the market is currently estimated at €66m and if the projected growth is realised then over the next five years this market should grow to approximately €400m. At the moment approximately 70% of organic products are imported. If this continues to stay at 70% it means that approximately €320m worth of organic products will be imported in 2012. The government needs to ensure that adequate resources are deployed so that Irish organic products can supply at least 80% of that €400m. The organic market is in its infancy here in Ireland and if it is to mature to its potential then major investment is required in the areas outlined above.

IOFGA is the largest organic certifying body in Ireland. Currently there are approximately 800 licence holders registered with IOFGA. If the target of 5% of land is certified as outlined in the programme for government, then we would expect to have a 300% increase in the number of people certified with IOFGA. This will have huge implications in a number of areas. Organic farming particularly horticultural production is labour intensive so we would expect significant growth in employment in organic farming. This will also be true for processed organic foods which will see a rise in employment. Increased revenues in tax, both direct and indirect, will also be significant.

As organic farming develops in Ireland the government will also need to address the export market and a marketing plan will need to be put into place to ensure that quality Irish organic products have access to markets abroad. Investment in the short term by the government will have long term consequences and will ensure that a strong organic sector is built in this country which will be in a position to sustain itself for decades to come. If this investment is not made now the organic sector will continue to stagnate and will be outnumbered by imports from other European countries who have invested in organic farming in their respective countries.

It is the opinion of IOFGA that the government needs to direct resources to the areas outlined above in order to achieve the objectives outlined in the programme for government. This will deliver more jobs, in both rural and urban areas, generate significant additional revenue for the Government and provide the platform for longer term economic development. IOFGA strongly believes that the investments outlined above will be more than offset by the economic, environmental and social benefits they will generate.

