

Public Consultation on Ireland's draft CAP Strategic Plan 2023-2027

Irish Organic Association, December 2021

Introduction

Ireland's CAP Strategic Plan 2023-2027 has huge potential to support organic sector development. The Irish Organic Association (IOA) welcomes that €256m of new Pillar II CAP support will be used to drive forward Ireland's organic farmland target. Clarity is needed on how synergies will be ensured between this new funding and the existing funds under the RDP 2014-2020 and EUIR up to 2025. **Key CAP interventions such as the organic farming scheme (OFS) and organic capital investment scheme (OCIS) as well as prioritisation under environmental schemes can play a pivotal role if designed appropriately to meet sector needs.** As the EU's only legally recognised seal of sustainability, certified organic farms and business are expected to deliver high quality produce and support viable livelihoods as well as proactively contribute to environmental and climate action, animal welfare and rural development (Sanders et al, 2013). This makes organics well-placed to support Ireland's sustainability goals. **However, to reach its full potential a comprehensive policy framework must be in place.** This includes enhancements to the organic-relevant interventions proposed in the draft Plan but also investments in **organic advisory and extension services** (see below). Interventions **that stimulate organic market development** to capitalise on consumer demand are also critical (see Box 1).

Mainstreaming equality and inclusion in the CAP

The CAP can make an important contribution to ensure equality and inclusion are priority issues in the Irish agri-food sector, including gender, diversity and human rights. For instance, there should be no age restriction for women receiving a higher rate of aid under the Capital Investment Scheme, once the basic requirements expected of any farmer (irrespective of gender) are fulfilled e.g., active farmer definition. Furthermore, social conditionality requirements that assist the enforcement of Ireland's working and employment conditions and labour standards must be part of the Plan from the start.

This submission builds on previous IOA CAP proposals, setting out 12 priority recommendations below to further develop the options available for enabling the expansion of a dynamic, innovative and market-informed organic sector that works for farmers and society.

Box 1: Organic supply chain and market development

Demand for organic produce continues to grow, with Ireland and its EU partners recording consecutive years of double-digit growth in grocery sales, doubling in value over the last 10 years. Not only is domestic demand increasing, but Ireland's four main export destinations - the UK, Germany, France and Italy - dominate European organic food retail sales (Willer et al, 2021). There are some interventions under the CAP that can help to support organic supply chain and market development namely the LEADER Programme and producer organisations (POs). For instance, the profile¹ of existing organic operators shows that prioritising the organic sector under the LEADER programme can help to diversify income streams and encourage more gender-balanced participation. In addition, the 'bio district' concept² should be strongly encouraged for inclusion in Local Development Strategies (LDS). While the draft Plan does make some reference to producer organisations (POs) supporting organic growers, further consideration is needed on the role of POs in professionalising market organisation and the bargaining power of organic farmers across different sub-sectors. At the same time, the CAP can only play a limited role and other policy measures are required. This is critical to exploit market opportunities, but also to respond to known or future barriers and bottlenecks facing the sector. Many of these issues are considered to some extent in the National Organic Strategy and Food Vision 2030 and are beyond the scope of the CAP. However, they need to be more clearly set out in the draft Plan in line with Ireland's identified needs (e.g., Obj2.N2, Obj3.N2 and Obj9.N4) and the European Commission's recommendations on Ireland's CAP Strategic Plan to promote not only the development of the organic farmland area but also the organic market - whether supported through the CAP or not.

¹ Over 18% of IOA farming members have on-farm processing, 32% of them are managed or owned by women. Furthermore, ~49% of IOA processing licensee holders are either managed and/or owned by women.

² Action 14 of new EU Organic Action Plan designed to reinforce local and small-volume processing and foster the short trade circuit

Summary of Key Recommendations

Organic Farming Scheme

1. Organic payment rates should reflect the full costs of organic production compared to farms representative of different sub-sectors. This is necessary to develop a sustainable organic farmland base and ensure a level playing field with other organic producers in the EU
2. Organic payment rate costings should take account of environmental payment rates where practices are overlapping with the organic standards. Organic payment rates should start with a deficit to represent these costings (e.g., SIM)
3. Payment rate differentiation should be reflective of the average or median-sized farm in different sub-sectors and not act as a disincentive to farmers wishing to convert or maintain farmland under organic management
4. Existing core requirements of the OFS should better reflect the realities and knowledge of organic farm and land management to support more effective sector development

Other Environmental Interventions

5. A wide menu of options is necessary to reward existing sustainable farming practices, including organic management, and incentivise meaningful change in farming practices, driven by ecological needs rather than improving farm efficiencies, which are primarily business decisions
6. Misinterpretations of double funding between the OFS and certain actions under the AECM must be addressed to reward and incentivise organic farmers to deliver enhanced environmental and climate performance beyond the scope of the organic standards
7. Organic farmers should have priority access to the AECM cooperation option where they are located in a defined target area, whilst maintaining the choice to engage in the General AECM option if it is more appropriate for their farm enterprise
8. Farm Sustainability Plans (FSP) and AECM Training should be based on a whole-farm approach and cognisant of organic farming systems in Ireland. It should be designed to make the best of what each individual farm has to offer and where improvements can be made over time

On-farm Capital Investment Scheme

9. A higher support rate to cover up 60% of eligible costs under the Organic Capital Investment Scheme, similar to other priority groups, would send a clearer signal of the Government's commitment to the development of organic food and farming systems

Farm Advisory Service/CPD for Advisors/Knowledge Transfer

10. Targeted and tailored advisory and extension services are critical to support farmers interested to convert to organic production or who wish to make changes and/or improvements to their existing organic farm and land management

Protein Aid

11. Incentives for protein production and combi cropping in particular, must better reflect the economic realities of organic production and environmental contribution that such systems can play in supporting greater food and feed autonomy

Small Farmer Scheme

12. Support must be broadened for small-scale organic producers across different sub-sectors by establishing a small farmers scheme that recognises the important contribution of these producers to food production

Detailed Overview of Key Recommendations by Intervention

Organic Farming Scheme (OFS)

Payment rates

- 1. Organic payment rates should reflect the full costs of organic production compared to farms representative of different sub-sectors. This is necessary to develop a sustainable organic farmland base and ensure a level playing field with other organic producers in the EU**
 - Whilst the budget for the organic farming scheme (OFS) is proposed to increase substantially to support Ireland's organic farmland target, the payment rates for most sectors set out in the draft plan do not represent a significant increase and in some cases no increase at all.
 - Comparisons with conventional farms of "similar...intensity of production and efficiency" does not fully reward existing organic farmers' decisions not to intensify their production and offers limited incentive for "commercial" conventional farms to internalise the environmental costs.³
 - If payment rates do not fairly reflect the typical costs compared to other representative conventional Irish farms, Ireland will continue to have some of the lowest payment rates in the EU and be potentially at a competitive disadvantage to other EU organic producers⁴.

- 2. Organic payment rate costings should take account of environmental payment rates where practices are overlapping with the organic standards. Organic payment rates should start with a deficit to represent these costings (e.g., SIM)**
 - A key example is the straw incorporation measure (SIM) where farmers can receive up to €250/ha on the first 40 ha, whilst full symbol organic tillage farms would receive €190/ha for ≤ 20 ha or €170/ha between >20 ha and up to 60 ha (~30-47% less per ha)
 - This is despite organic farmers incorporating organic residues into their soil as a matter of good agronomic practice. This represents just one component of the range of different sustainable practices applied by organic tillage farmers compared to their conventional ones
 - The potential for premium prices notwithstanding, it is important to recognise that the OFS is a sustainable land management intervention contributing to several of Ireland's environmental objectives related to biodiversity, soil, water, air and climate etc.

- 3. Payment rate differentiation should be reflective of the average or median-sized farm in different sub-sectors and not act as a disincentive to farmers wishing to convert or maintain farmland under organic management**
 - While some Member States differentiate organic payments (e.g., based on land-use intensity, crop type and use), in contrast to Ireland very few have implemented a degressive payment model, whereby the payment level is based on the size of the organic area and frontloaded.
 - If this model is continued, it should be based on representative conventional farms especially in sectors with a deficit. For example, the upper rate of support for tillage should be increased to at least 60 ha as this is the average size of a tillage holding⁵

³ Rates should also be in line with the most recent representative costs possible (i.e., to account for changes in costs since 2013/2014).

⁴ For example, conversion rates for tillage and grassland farms in Germany are up to €520/ha and €364/ha respectively, with maintenance rates up to €273/ha (albeit with regional variations). See Organic in Europe: Prospects & Developments for Organic in National CAP Strategic Plan. Brussels: IFOAM Organics Europe, based on Lampkin and Sanders (2021). Available at: tinyurl.com/29uphezv

⁵ Based on the preliminary result of the Teagasc National Farm Survey 2020

- It is also important to remember that there is significant growth achievable in sectors that are considered to be potentially “over-represented”. The OFS must appropriately support these sectors, but other policy measures are also needed to address known bottlenecks⁶.

Scheme core requirements

4. Existing core requirements of the OFS should better reflect the realities and knowledge of organic farm and land management to support more effective sector development

- The continuation of many existing eligibility conditions of OFS including the prioritisation of total conversion over partial conversion, mixed farms and young farmers are welcomed to ensure the sustainable development of the sector
- While the completion of the NFQ Level 5 'Organic Farming Principles' course, should remain an eligibility condition, other education qualifications should also be recognised, where organic farmers demonstrate completion of a more advanced organic farming course⁷
- For farms with organic tillage, in particular, selection criteria need to take account of the 2-3-year fertility building phase for organic arable enterprises with farmers permitted to declare nitrogen-fixing crops such as clover and vetch in grass leys as part of their arable rotation.⁸

Other Environmental interventions

Eco-scheme

5. A wide menu of options is necessary to reward existing sustainable farming practices, including organic management, and incentivise meaningful change in farming practices, driven by ecological needs rather than improving farm efficiencies, which are primarily business decisions

- Of the 10 eco-scheme options proposed, 7-8 of them with the right conditions could be appropriate for organic farmers (i.e., non-productive area landscape features, extensive livestock production⁹ and planting native trees/hedgerows)
- Regrettably, there is no focus on incorporating basic biological nitrogen fixation into grassland or perennial farming systems (as an alternative to the Limiting Chemical Nitrogen Input option). This is an option, where farmers would be rewarded for growing a perennial forage legume¹⁰
- Such an option not only rewards innovative farmers (both organic¹¹ and conventional) and incentivises late adopters, but also offers a much clearer pathway for farmers to improve, whilst indirectly optimising efficiencies and reducing costs.¹²

⁶ Key examples include leakage into the conventional supply chain, disconnect between organic suckler farmers and beef finishers and/or market opportunities in the organic sheep sector, including regionally-differentiated meat produce and wool for high-end textiles

⁷ This should include well-known courses accredited under the European Qualifications Framework – EQF such as the Organic Farming MSC awarded by SRUC/University of Glasgow (NFQ level 9) as well as new qualifications such as the BSc in Organic Agriculture (NFQ level 8) being established by the South East Institutes of Technology in Carlow and Waterford.

⁸ This may require recognition of these crops under the basic direct payment application, before organic cropping is cross-checked with an organic farmer’s OFS application.

⁹ Max. stocking rates should really be based on farmland, soil type, catchment area needs

¹⁰ It could include improving existing swards as well as undertaking a full re-seed. In addition, it would allow farmers to apply basic legume mixes before potentially adopting a more advanced MSL action (as originally proposed under the AECM)

¹¹ The cultivation of perennial legumes e.g., red or white clover may represent good organic practice, but is not a specific requirement of the organic standards

¹² Other options could include the development of a nutrient management and budgeting plan (monitoring inputs and outputs), beekeeping for biodiversity (farmer/beekeeper collaboration), development/updating of NPWS Farm Plan

6. Misinterpretations of double funding between the OFS and certain actions under the AECM must be addressed to reward and incentivise organic farmers to deliver enhanced environmental and climate performance beyond the scope of the organic standards

- While organic farmers are proposed to be prioritised under Tier 1 of the General AECM, based on current double funding interpretations we foresee organic farmers **could** be considered ineligible for almost half of the actions proposed where combined with OFS
- Current exclusions not only undermine the ability of organic farmers to further enhance their overall sustainability credentials but often make the OFS unattractive compared to the AECM and sends mixed messages to farmers who are well-placed to address key goals and targets
- Our own analysis found that the majority of AECM actions¹³ proposed could be combined with the OFS and are not double funding if organic land management assumptions are considered as part of the requirements and costings where applicable (see Box 2 for three key examples).

Box 2: Selected examples of AECM action/OFS double funding concerns

- a. Low-input grassland/sustainable grazed pasture (MSL) (results-based): Taking REAP as a reference point, none of the scheme indicators used to determine these results-based payments (e.g., number of species in the sward, boundary features etc) are specific requirements of the organic standards. While double funding issues could arise with regards to costings based solely on conventional farming assumptions, this demonstrates the need to consider the requirements necessary to reach the desired objective of the action in an organic context. For example, taking into account the cost of limiting slurry and farmyard manure applications under the low-input grassland action, and/or the costs associated with establishing and maintaining an organically managed multi-species ley (MSL) under the MSL action. These observations are also relevant to other grassland actions.
- b. Winter Bird Food (margin or whole field) and Conservation of farmland birds (various): Currently none of the farmland bird-related actions under GLAS (except for bird boxes) are eligible for organic farmers participating in the OFS. The reasons why these actions are considered ineligible remain unclear to us given the potential synergies with the OFS. Firstly, the conservation of specific farmland bird species is driven by the needs of Ireland's commitments under the Birds Directive and not the organic regulations. Secondly for wild bird cover, if an organic farmer was eligible to combine this action with the OFS, in addition to maintaining the relevant parcel under organic management (via OFS), the farmer would be paid for additional costs incurred for providing winter feed for birds. These establishment and maintenance costs are also beyond the scope of the organic standards. Furthermore, engaging in such actions also incurs income forgone as a result of yield reductions.
- c. Tree planting – Rows, Groups or Parkland: Our interpretation is that this action is designed (alongside the proposed eco-scheme option) to better integrate trees into the farmed landscape including the development of agroforestry systems (which have been pioneered by organic farmers). We also understand that the aim is to ensure better synergies between the new agri-environment-climate scheme and the forthcoming National Forestry Programme. However, our previous experience with forestry measures and CAP, is that organic farmers cannot receive the OFS on parcels that have trees planted despite remaining designated farmland areas. Therefore, we want to ensure that these issues are addressed (as well in the eco-scheme) to avoid organic farmers being penalised for improving the environmental value of their farmland, whilst at the same time maintaining or enhancing productivity.

7. Organic farmers should have priority access to the AECM cooperation option where they are located in a defined target area, whilst maintaining the choice to engage in the General AECM option if it is more appropriate for their farm enterprise

- Organic farming systems are well-placed to support EU and national priorities such as those linked to the Water Framework and Birds and Habitats Directives as they can build on their existing environmental credentials and take a whole-farm approach to land management

¹³ This includes non-productive investments associated with specific AECM actions

- Under the EIP-AGRI, organic farmers have engaged in many results-based co-operation projects, alongside conventional farmers such as the Burren Programme, Hen Harrier project and Protecting Farmland Pollinators demonstrating their interest in the approach
- More details are needed on the location of the proposed 'defined priority geographical areas' and ranking of environmental and climate issues to be addressed as well as how the 8 CP teams will be established, including possible synergies/continuation of existing EIPs

8. Farm Sustainability Plans (FSP) and AECM Training should be based on a whole-farm approach and cognisant of organic farming systems in Ireland. It should be designed to make the best of what each individual farm has to offer and where improvements can be made over time

- We strongly recommend that both the FSP and AECM Training are designed to consider multiple, rather than individual sustainability issues¹⁴ irrespective of the AECM selection. This should encourage farmers to consider these issues as part of their overall enterprise
- As a priority sector under AECM, training must appropriately cater for organic farming systems. Training¹⁵ for all farmers should ideally be targeted and tailored to the specific actions with the FSP used as a living document to support sustainability improvements
- As an original proponent of the FSP concept, the Irish Organic Association welcomes the opportunity to put forward proposals for how the FSP and AECM training could work for organic farming systems in practice based on further details of what is proposed

On-farm Capital Investment Scheme

9. A higher support rate to cover up 60% of eligible costs under the Organic Capital Investment Scheme, similar to other priority groups, would send a clearer signal of the Government's commitment to the development of organic food and farming systems

- While the Irish Organic Association welcomes the proposal to increase the OCIS aid rate to 50% of eligible costs given that the transition and improvements in organic farming can incur significant costs, the higher 60% rate would be more appropriate
- The eligible list of investments and reference costs should be reviewed annually and updated regularly to account for evolving needs and new technologies relevant to different organic sub-sectors and the rate of inflation concerning costs
- As well as horticulture producers it is important to ensure that smaller-scale organic farmers such as pigs and poultry producers can avail of grants under the OCIS and therefore, they should be exempt from the 5ha threshold as well¹⁶

Farm Advisory Service/CPD for Advisors/Knowledge Transfer

10. Targeted and tailored advisory and extension services are critical to support farmers interested to convert to organic production or who wish to make changes and/or improvements to their existing organic farm and land management

- Despite the Food Vision 2020 and the National Organic Strategy highlighting the need to increase organic farming expertise amongst advisors, no provision for organic advisory and extension services, including relevant CPD is evident in the draft Plan¹⁷

¹⁴ This should include objectives concerning climate change, biodiversity and habitat protection, water, soil, air quality and energy consumption, taking account of different land-use types and farming systems (conventional and organic)

¹⁵ The two training courses should include both class- and field-based components that allow both trainers, advisors and farmers to focus on the actual achievement of environmental and climate goals.

¹⁶ Based on demonstrating they are a holder of an active sub-sector or department identifier and have an organic license

¹⁷ During the most recent tranche of the organic farming scheme (March-April 2021) the lack of advisory services to support conversion planning was regularly mentioned as a barrier to conversion.

- While the DAFM has published a draft list of advisors, it is essential that core expertise are demonstratable¹⁸ and that a target is set to increase the number of FAS accredited advisors and supported by an appropriate CAP spend¹⁹, in line with sector targets and growth trends
- The KT programme must be tailored to the needs of new and existing organic farmers and a minimum percentage of the KT group tenders should be representative of the organic target and growth trends, with organic farm and land management designated a 'Priority KT Topic'.

Protein Aid

11. Incentives for protein production and combi cropping in particular, must better reflect the economic realities of organic production and environmental contribution that such systems can play in supporting greater food and feed autonomy

- Protein aid is also relevant to the sustainable expansion of the organic livestock sector where there is an insufficient supply of organic home-grown proteins. Payment rates should take account of organic protein imports and the wider environmental benefits of combi-cropping
- Care must be taken to ensure the species proportions (e.g., protein crop being at least 50% of the seeding rate) do not undermine the possibilities for farmers to make agronomically and environmentally sound choices e.g., sowing a diverse range of species, undersowing leys
- There are also potential opportunities for producing proteins including legumes for human consumption. Such support should be targeted at supporting innovative production of other protein crops which are grown at a small scale (i.e., not only limited to peas, beans and lupins).

Small Farmer Scheme

12. Support must be broadened for small-scale organic producers across different sub-sectors by establishing a small farmers scheme that recognises the important contribution of these producers to food production

- While the National Organic Strategy highlights the role of small-scale producers in supporting viable farm livelihoods, the Food Vision 2030 also intends to develop small-scale market garden enterprises, including organic, via a new roadmap for the horticulture industry
- Small scale organic producers (e.g., operating under 1-3 hectares) should have the option of applying to a small farmer scheme as a more simplified form of income support than other decoupled direct payments
- Currently, 15 Member States in the EU have implemented a small farmers scheme, with payments of up to €1250 per annum possible. Such an option should not exclude new entrants from availing of relevant young farmer interventions

References

Lampkin, N., Sanders J (2021 in press) Organic support payments in the European Union. Thünen Working Paper. Braunschweig: Thünen Institute of Farm Economics

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Willer, H et al., (2021) eds. The World of Organic Agriculture 2021: Statistics and Emerging Trends. Frick/Bonn. FiBL/IFOAM Organics International

¹⁸ Based on the completion of the 'Organic Farming Principles' course tailored to advisors (at a minimum), another organic qualification (e.g., NFQ Level 8-9 or EQF Level 6 or 7 equivalent) or relevant professional experience (where applicable)

¹⁹ In addition to the new funds, €20m was earmarked for agri-environment training for farmers and €4m for CPD for advisors ahead of the new CSP 2023-2027, some of which should adequately targeted at the organic sector