

The Green Food Island

Fine Gael's Agriculture Policy

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FINE GAEL

Let's Get Ireland Working

THE GREEN FOOD ISLAND

Executive Summary

During the Celtic Tiger era, the agri-food sector was largely forgotten. Innovation and reform were moved to the back-burner while the construction sector masked a need for new thinking and a move away from the Department of Agriculture's traditional role as a payments processing unit. Due to strong economic performance in exports and the realisation that food security can no longer be taken for granted, the agri-food sector is now finally achieving recognition as an industry which is essential to economic recovery. Ireland has the potential to be a food basket for Europe, with the capacity to produce food for at least 36 million people and Ireland produces food to the highest possible standards which is the essential ingredient in reversing of the ever-increasing levels of obesity.

Fine Gael wants to position Ireland as the Green Food Island internationally, maximising the potential we have to offer as a uniquely positioned, low carbon grass based production system with high quality products, maximum traceability, strong environmental and animal welfare standards, with access to key markets. We will create the environment for an expansion in the production base by delivering on a three-pronged strategy focused on efficiency, fairness and new opportunities.

Together with industry, we will reduce the burden of regulation on farmers and the food industry, improve access to supports, encourage the next generation to become involved in agri-food and move Ireland away from a system focused on EU supports and dangerously exposed to variations in commodity prices to an innovative, efficient system which is secure for generations to come and is firmly at the heart of economic progress.

1. EFFICIENCY

The Government focus in agri-food has been predominantly focused on industry targets and has not proposed real reform in the Department of Agriculture or its associated bodies. Fine Gael proposes a number of measures to create a more efficient agri-food sector:

Refocus the Department of Agriculture: The Department of Agriculture has been a glorified payments processing system for too long. We will refocus the Department to concentrate on policy development and implementation, driving growth in the agri-food industry.

New Agri-Payments System: We will transfer responsibility and expertise for agri-payments to a new Single Payments and Entitlements Service (PES), giving farmers access to a more efficient service and freeing up the Department of Agriculture to focus on policy.

Innovation Division: We will create a new innovation division to co-ordinate policy implementation across Departments and in conjunction with stakeholders.

Single Food Safety Agency: We will strengthen the food safety inspection and monitoring system, building on the existing Food Safety Authority of Ireland, reducing duplication in food monitoring by a range of agencies and ensuring reliability in traceability across the entire food chain.

Local one-stop-shop for agri-business supports: To give agri-food businesses greater support, we will develop local business support structures which act as a one-stop-shop for advice and support.

Farmgate red tape review: We will carry out a review of red tape affecting the farm gate, to identify ways of reducing the burden of compliance without compromising on animal welfare, environmental or food safety standards.

Agri-proof EU legislation: We will examine new EU rules for any practical difficulties before finalisation in the EU, through a new European Legislation Committee.

Business Inspection and Licensing Authority: We will reduce red tape for small businesses by 25% by rationalising the existing structures for Health and Safety Laws and Labour Laws.

Labour Costs: We will review Employment Regulation Orders and halve the lower 8.5% rate of employers' PRSI on staff earning below €356 per week to reduce labour costs for agri-food businesses.

Financial Advisory Service: Access to credit is a major issue for farmers. We believe banks need to be re-educated on assessing the viability of farm enterprises now that the era of using EU supports as collateral for lending has been diminished. Teagasc should have a role in liaising with the banking sector on modern farm systems.

Market Volatility: We will negotiate a pragmatic approach in the EU to address market volatility and will establish a Fair Trade Forum to examine specific measures used in other jurisdictions.

Carbon Neutral Approach: The Dáil Committee Report on Forestry clearly demonstrated the value of forestry in meeting Ireland's carbon management target. Fine Gael will push for the inclusion of forestry as a sequester of carbon in future calculations of emissions.

Animal Welfare and Disease Control Evaluation: We will publish updated animal welfare legislation, particularly dealing with horse and dog welfare. In addition, we will fast track and all-island animal health regime and carry out an evaluation of disease control protocols.

2. FAIRNESS

Primary producers should not have to accept a price for their produce which is below the cost of production. Equally, consumers should not have to pay the second highest food prices in Europe. We will bring a greater sense of balance to the food chain from farm to fork. Fine Gael proposes a number of measures for a fairer trading environment:

Fair Trade Legislation: We will introduce new Fair Trade legislation to force supermarkets to disclose their products, put an end to unfair trading practices and rebalance power in the food chain, giving consumers fair prices for groceries and producers a fair price for produce.

Competition, Consumer and Utilities Commission: We will merge the Competition Authority, the National Consumer Agency, the Broadcasting Authority of Ireland (BAI), ComReg and the CER into a single body. This body will be significantly more powerful and will be a stronger champion for enforcing our Fair Trade Act.

Clearer labelling: Unclear labelling is both inhibiting producers, particularly in the pigmeat and poultry sectors from gaining market share and is also misleading consumers who are keen to buy Irish. Fine Gael believes that it is necessary to introduce new reforms on labelling such as:

- A single label for Irish produce
- Country of Origin
- Date and country of slaughter
- Guideline Daily Amounts
- GM Content

1. http://www.oireachtas.ie/documents/committees30thdail/jclimate_change/reports_2008/20100721.pdf

3. NEW OPPORTUNITIES

If food production targets are to be realised and dependency on State and EU supports are to be reduced, farmers must be encouraged to explore new opportunities for income and active producers must be supported. Above all, young farmers must be allowed access to land and supported in exploring new farming models.

CAP REFORM

A strong Common Agricultural Policy is key to driving growth in the Irish agri-food sector. Fine Gael will work with our partners, the European People's Party which is the largest group within the European Parliament to negotiate the future direction of the CAP based on:

- A Strong overall CAP Budget
- A fair share of the CAP for Ireland
- New market volatility measures
- Food Security as a priority
- Climate Change Mitigation
- High Environmental Standards
- A focus on animal welfare
- New measures aimed at addressing land mobility

Farmgate supports: Farmgate supports have been decimated by the last Government's economic mismanagement. Fine Gael's priority is the Agri-Environment Options Scheme. We will investigate all options for greater efficiencies within the current budgetary framework to seek further expansion of this scheme in Government. The Single Farm Payment should target active producers.

World Trade Negotiations: Domestic economic problems must not overshadow emerging threats from ongoing trade negotiations. Fine Gael will work with our partners in the EPP to highlight food security priorities and avoid damage to the agricultural sector from future deals.

YOUNG FARMERS

1. Access to Market

New Farm Models: We will review current farm partnership arrangements with Revenue to identify reasons for the poor take up of alternative models. We will publish revised arrangements for farm partnerships and shared farming arrangements and promote new arrangements through Teagasc.

2. Education

Capacity of Agricultural Colleges: We will allow for greater flexibility at Teagasc to deal with the restrictions imposed by the moratorium on public sector recruitment, reviewing arrangements on a case by case basis to try and increase capacity in agricultural colleges.

Farm Apprenticeship Scheme: We will examine the feasibility of reopening the Teagasc Farm Apprenticeship Scheme, to provide access to a low cost, practical work experience opportunity for young farmers.

Expert Group on Future Skills Needs: We will co-ordinate the delivery of recommendations outlined by the Expert Group on Future Skills Needs for skills development in the food and beverage sector, with a particular focus on graduate programmes in the agri-food sector.

Specialisation in Agri-food research: Ireland has a good track record in food research. We will build on existing strategic partnerships such as those between Teagasc and University College Cork to develop Ireland as a food research hub.

3. Supports

CAP Reform

We recognise the need to prioritise young, active farmers. Fine Gael will work with the European Commission to ensure that the value of young farmers in ensuring a sustainable agricultural sector within the EU is a key policy of the CAP.

Tax Commitments: Stock relief is an important benefit for young farmers at a time when other incentives and supports have been abolished. We will maintain the existing relief.

Loan Guarantee Scheme: We will introduce a partial loan guarantee scheme for small and medium sized businesses and young farmers with viable farm enterprises to overcome some of the market failure in providing credit to sustainable small businesses.

Government Contracts for Agri-food businesses: We will overhaul the public procurement process to give agri-food businesses access to public food contracts.

Local Avenues for Food Production: In cooperation with local authorities, we will promote the support of farmers markets and farm shops in all towns in Ireland to give primary producers direct access to outlets for produce.

Food Tourism: We will develop a culinary tourism strategy through Fáilte Ireland and will ensure greater co-operation between the Department of Agriculture, Fisheries and Food to sell Ireland's network of artisan food producers, cookery schools and restaurants.

'GREEN' INCOME OPPORTUNITIES

Land Use policy: We will publish a land use policy in co-operation with industry stakeholders to plan for the development of new opportunities in a balanced and strategic way.

Investing in Forestry: Under our *Working for Our Future* plan, we will merge Bord na Mona and Coillte into a new company called "Bioenergy and Forestry Ireland (BFI) and will invest €250m annually to bring planting close to 15,000ha annually, delivering jobs to rural regions.

Agriculture Energy Policy: We will publish a National Agriculture-Based Energy Policy to link agriculture and forestry production with carbon sequestration requirements, to reduce the use of fossil fuels and to incentivise the production of agriculture based energy from agricultural crops and from agricultural waste, with individual operators, cooperatives and energy companies.

Farm Diesel Exemption: We will alleviate the burden of the carbon tax on farmers by exempting farm diesel from any future increases.

Market for Renewable Crops: We will encourage the growth of the market for renewable crops by ensuring the State becomes a biomass customer, substituting fossil fuels with biofuels in CHP plants.

Sugar Production and Biofuel: We will carry out a feasibility study into the possibility of redeveloping the sugar beet sector, particularly with a view to the possibilities for biofuel production.

Added Value Products: The potential for added value production has not been properly explored. We will develop a collaborative approach to food research, drawing together stakeholders including Enterprise Ireland, Teagasc, the third level sector and industry.

We will amend the R&D tax credit regime to make it more attractive and accessible to smaller businesses.

MARKETING THE GREEN FOOD ISLAND

Role of Bord Bia

The structures driving the marketing campaign for Ireland must be integrated and efficient. We will refocus Bord Bia so it no longer engages in food inspections and focuses solely on marketing Ireland as the Green Food Island.

Regional Branding

We will encourage co-operation between Bord Bia and local business support centres to give small businesses assistance in developing individual food brands.

Protected Geographical Indicator

Ireland has a thriving artisan food product industry. However, in comparison to other European countries we have not maximised the marketing potential that may be exploited from achieving protected geographical indicator status for indigenous foods.

Carbon Footprint

When a standardised carbon footprint is established for food production, as part of the Green Food Island label, we will promote Ireland internationally as a low carbon food producer.

Ambassador of Trade

In a market-focused economy, a coordinated effort is needed to promote the good reputation of Irish food products in the world markets. We will consider the introduction of a high profile Ambassador who could strengthen exporting efforts.

SUPPORTING THE SEAFOOD SECTOR

Common Fisheries Policy: We will negotiate the best possible deal for Irish fishermen in the context of the ongoing review of the Common Fisheries Policy through our relationship with the biggest political grouping in Europe, the EPP.

Sea Fisheries Bill: We will publish legislation to replace the criminal sanctions system for minor fisheries offences with an administrative sanction system to bring Ireland into line with other European jurisdictions.

Aquaculture Licensing: We will remove administrative obstacles and clear the backlog of aquaculture licences currently preventing the creation of thousands of jobs in the aquaculture sector.

Value Added Products: Fine Gael will assist Irish companies in adding value to their products through innovation and support from Bord Iascaigh Mhara.

Single Food Label: The single food label for Irish produce will drive a targeted marketing campaign to grow the Irish seafood brand in new markets.

Marine Department: Fine Gael will merge responsibilities for the marine under one Department for better co-ordination in policy delivery.

National Marine and Coastal Plan: We will develop an integrated marine and coastal planning process to reach the full potential of our coastline in fishing, aquaculture, ocean energy and tourism.

Ports Development: We will support the development of our ports and marine sector as important drivers of economic growth. We will also replace the Boards of all State Port companies and Harbour Commissions within one year of entering government.

THE GREEN FOOD ISLAND

INTRODUCTION

During the boom years, the agri-food sector was ignored and cast aside as an industry no longer fashionable enough for Celtic Tiger Ireland. A traditional industry, once considered the backbone of the economy was disregarded as the over-dependency on the construction sector took hold. Traditional industries like agriculture were no longer considered attractive and the focus of a short-sighted Government shifted elsewhere.

The Government's attachment to the quick profits of the property sector blinded it to the real value of the agri-food sector, and the fundamental crisis affecting the agricultural sector. This failure to recognise Ireland's potential as a world leader in agri-food resulted in a fall off in incomes which was three times that of the European Union average. Exports in the sector fell by a billion Euro in 2009, farm income fell by 30% and total agricultural output in 2009 was less than it was 20 years ago.

This collapse in employment and the wider economy revealed an agri-food industry which was over-burdened by regulation, high costs, market volatility and unfair trading conditions and primary producers which had reluctantly become dependent on farm gate supports and EU payments.

The reality is that Government failed during the boom times to plan for a future for this industry and the result was; a decline in livestock numbers and the loss of sugar beet and indigenous fertiliser industries. At the heart of this sector are 128,000 farmers and their families and 150,000 people employed in the wider agri-food and fisheries sectors. Farmers and agri-food businesses are run by entrepreneurial people, willing and able to diversify to succeed if given the opportunity.

The reality is now dawning that food security is a valid concern, food prices are increasing and demand is growing. The world population is expanding rapidly. The Food and Agriculture Organisation estimates that the global population could expand by a third or 2.3 billion people by 2050 and food production will need to increase by approximately 70% to accommodate this expansion. Food security will inevitably become one of the most pressing issues at an EU and global level in the coming years and if Ireland is prepared, we can capitalise on this potential and position ourselves as a globally renowned centre for food production.

We are at a crucial crossroads for the agri-food sector in Ireland. While exports have begun to recover, long term sustainability will only be achievable if we adopt a new approach to turn our natural resources into globally sought after commodities. Business focused, innovative producers will only be attracted to the industry if they can be confident of a decent living.

The ongoing negotiations surrounding the Common Agricultural Policy are a vital consideration for the future of agriculture. The overall CAP budget, the Irish share of CAP funds and the reform of the Single Farm Payment system will have a serious impact on the future shape of agriculture in the country. A strong hand at a European level will be vital during these negotiations and must not be sidelined by other economic events.

The Food Harvest 2020 Strategy focused on the longterm development of the agri-food sector. The targets outlined in the plan are achievable but only if serious fundamental changes facing the sector are addressed. The climate change EU Agreement signed up to by the Irish government requires a 20% emission reduction by 2020. Despite the importance of agriculture and carbon sequestration and the use of fossil fuel and the emission control in agricultural production, there is still no coherent policy for emission controls and management in the agricultural sector. The priority now will be to reform

structures to best grow and develop the industry, to base it on producing food in a safe and healthy way while protecting the environment.

Urgent action is also necessary to refocus the direction of the Agriculture and Food Policy in Ireland towards sustainable innovation, excellence and efficiency. Family farms and agri-food businesses are at the heart of every community and they can attract the best and the brightest people, trained and innovative to bring about the change in Irish agriculture.

FINE GAEL VISION

Andrew Doyle TD, Fine Gael Spokesperson on Agriculture, Fisheries and Food

The Fine Gael vision for agriculture is the development of an agrifood sector and rural economy based on a thriving family farm structure, producing the highest quality raw materials and food products for a local and global market.

For years, little consideration was directed towards the agricultural industry, with little thought of innovative national policies which would support both farmers and agri-food businesses. The last Government only served to thwart the agricultural sector even further, imposing ideological positions on the sector, while ignoring scientific advice and over-relying on the construction sector as a source of off-farm employment.

Fine Gael wants to change this approach. Fine Gael wants a real future for Irish farmers and the agri-food industry with a Department of Agriculture which moves away from being a processing facility for grants and acts as a real driver of growth in the sector. The Fine Gael vision for agriculture is based on making the best use of our resources; the family farm, our agricultural heritage, the inherent flexibility and innovation at the heart of the sector, creating new income opportunities for farmers, and encouraging sustainable production at fair prices.

More than anything, Fine Gael believes that the future of Irish agriculture is fundamentally tied to encouraging young people to recognise the sector as a vibrant and worthwhile career avenue and providing renewed hope in the farming community for the continuation of the family farm. Ireland has proven its ability to compete internationally as a world class food producer. It is time to re-think the way we approach agriculture nationally to support this potential and deliver the growth the sector is capable of.

The 2020 targets for growth in the sector will only be delivered if fundamental reform takes place domestically and Government structures are geared towards supporting the industry in striving to meet this potential. Fine Gael will deliver this reform and will secure Ireland's position as a world leader in food production.

VALUE OF THE AGRI-FOOD SECTOR

Irish agriculture is based on a plentiful supply of grass, due to our temperate climate and production has been anchored in 128,000 family farms where over €4.5 billion has been invested over the past three years. The agri-food sector is of fundamental importance to the Irish economy and its indigenous nature ensures that it is a bastion of security and stability in recessionary times. Geographically, environmentally and traditionally, Ireland is predisposed to a strong farming and agrifood tradition. Our position as an island nation, our favourable climatic conditions and reputation as a 'green' location all contribute to the potential of our agri-food industry to position itself as a world leader in the sector.

The sector accounts for about 10% of exports and employs over 150,000 people. It is estimated that the value of Irish food and drink exports increased by 11% in 2010 to reach €7.9 billion. However, the agri-food sector makes a more important contribution to the net inflow of funds to the Irish economy than its share in the official statistics suggest. It is estimated that the net foreign earnings of this sector

contribute approximately 30% of the total net earnings from primary and manufacturing industries. This is approximately double the sector's contribution to exports.

The Irish agri-food sector adheres to the highest of standards in animal welfare, food safety, traceability and environmental compliance, giving Ireland an edge over other competitors.

The agri-food sector contributes significantly in many respects:

- **Regional Economy:** Farm inputs, capital investment and earned income are spent locally, supporting the regional economy. The industry sources 71% of its raw materials locally, benefitting local businesses.
- **Guardians of the Environment:** Farmers have acted as guardians of the natural environment, through cross compliance and through REPS, contributing on a large scale to the overall preservation of our natural landscape.
- **Export led industry:** The agrifood industry accounts for 60% of manufacturing exports by indigenous firms in Ireland.
- **Rural Employment:** The industry is the primary source of employment in rural areas, with 128,000 farm holdings and 150,000 people employed in the wider agri-food sector.
- **Climate Change Mitigation:** The sector provides great possibilities for climate change mitigation through the production of renewable crops and particularly through the potential savings of €46m from the forestry sector in climate change mitigation

THE CHALLENGES

The period between 2007-2009 was particularly difficult for the agri-food industry. In the midst of the economic boom, the agri-food sector was neglected by Government, cast aside as the over-dependency on construction escalated and the potential of the sector was stifled by a lack of strategy and support. A failure to think ahead and plan for diversification in the industry was highlighted by the sharp downturn and the uncertainty of this period.

Unemployment and Income Collapse

The agri-food sector was seriously destabilised by the economic crisis. During the boom, the construction industry provided a false sense of security for farmers, presenting a source of off-farm employment which masked the lack of Government support and development of the farming sector. In 2008, 40% of farmers held an off-farm job. Of those, 50% held an off-farm job in construction.

In the first six months of 2009, off-farm employment for part-time farmers fell by 35%. The reality of this crisis was reflected in farm incomes. The average farm income in Ireland fell by 30% in 2009, three times the EU average, a 40% drop from 2007 to a low of €11,968 and the number of farmers seeking farm assist increased by 200%.

Part of the income collapse for farmers may be linked to market volatility but the significant drop in income must be also attributed to the rapid and unexpected withdrawal of Exchequer spending on farmgate schemes like REPS, the Suckler Cow Welfare Scheme, the Young Farmers Installation Aid Scheme, the Early Retirement Scheme and the Disadvantaged Areas Scheme. Farmers who were already suffering from a collapse in off-farm income were hit doubly hard with the withdrawal of these schemes and the average farm income nose dived.

While there were signs of recovery in 2010, incomes are still extremely low in historical terms and are lower than the average industrial wage. The decline in livestock figures and the level of debt facing

those in the sector has forced some producers to cease production. The level of lending to the farm and forestry sectors was estimated at €4.9 in December 2009.²

The Government's recently published Food Harvest 2020 outlines a vision for growth based on the economic viability of the family farm based on 2007 income levels, just above the minimum wage threshold. Factoring in the estimated 30% rise in farm incomes last year, the average farm income is approximately €16,500. This clearly shows how neglected the agricultural industry was under the stewardship of the last Government.

Market Volatility

The agricultural sector endured extremely difficult conditions in 2008 and 2009, with extreme price volatility in commodities, adversely affecting the dairy and tillage sectors in particular with prices slipping well below the cost of production. Milk prices dropped by 30% in 2009, resulting in a 48% decline in income on specialist dairy farms while tillage farmers saw their average farm income drop by 62% from 2007 levels.³

This knock-on effect on farm family incomes was disastrous for the sector and led to even greater uncertainty in an already difficult climate. In an environment where access to credit was already seriously restricted, price volatility added to the obstacles facing producers in keeping their businesses afloat. While commodity prices have now stabilised, the sector remains exposed to future market volatility and fluctuation.

Pressure on Irish producers to reduce prices below cost has created much hardship in sectors with little grant aid such as fresh produce growers. Market balance has swung in favour of large grocery retailers who have offered import-level prices which has resulted in the closure of some producers.

CAP Reform

The reform of the Common Agricultural Policy presents further challenges for the sector. At a time of unprecedented economic difficulty across the European Union, the struggle to secure an adequate agricultural budget in the context of the wider EU budgetary discussions will be onerous. Ireland's share of the CAP is uncertain and the future method of calculation of the Single Farm Payment is up for review. The level of support for the agri-food sector will not only depend on the changes to the calculation of the Single Farm Payment but will also be impacted by an expanded European Union and competing priorities under the CAP.

With final agreement not expected until 2012, Ireland must put forward a strong and clear position in negotiations, targeting a secure future for the agri-food industry. For Ireland, at a time of domestic economic crisis, it will be vitally important to use the CAP as a means of introducing policies to move Irish producers towards a system that is highly competitive, responds flexibly to market needs and delivers a solid income for producers.

Future Trade Agreements

Although the most recent round of Doha talks have stalled, the recent Mercosur proposals highlight the fluid and volatile nature of world trade agreements and the potential impact future developments may have on the agricultural industry. The most recent indications suggest a conclusion to the Doha talks by the end of next year. The last Government was poor in its approach to trade negotiations in the past. At a point in time when food security is critical, we must advocate the worth of the Irish food production model. The agricultural industry needs a strong voice at the European negotiation table to secure the future of the industry for the long term.

2. <http://www.centralbank.ie/data/site/cmbs/Dec%2009%20Note.pdf>

3. Teagasc National Farm Survey June 2010

Business Costs

As with every other sector, the failure to ensure competitiveness has led to spiralling energy and waste costs, professional fees and rates. In the ten years to 2009, farm input prices rose by 51.1% but output prices rose by 9.6%.⁴ With income levels at an alltime low, a lack of competitiveness is adding to the burden on agri-food producers and businesses.

Burden of Regulation

The agricultural sector has been arguably affected more than many other industries by the increasing burden of regulation. The expansion in the breadth of EU Directives which must be complied with, particularly from an environmental perspective has been significant and Ireland's interpretation of Directives in many cases has been questioned by those in the industry. This burden of regulation is stifling the industry's capacity to develop and take risks. In addition, the overly burdensome approach domestically to regulation has put agri-food businesses under extreme pressure, with 4% of turnover spent on dealing with red tape.

Land Mobility

In many respects the structure of farming has disimproved over recent decades. There is a very low level of land mobility. An ever increasing proportion of the utilised agricultural area is now in the hands of part-time farmers. Land fragmentation has increased and the age structure has deteriorated.

Ineffective Labelling – Growth in imports

Irish consumers have demonstrated the preference to buy Irish but ineffective labelling and loopholes in legislation have meant that customers are sometimes misled as to the origin of food products.

THE OPPORTUNITY

Notwithstanding the challenges posed by the current economic climate, Ireland has the potential to strategically take advantage of the clear opportunity for Ireland to become globally recognised as the Green Food Island.

Ireland's natural disposition

Ireland's geographical location, climatic conditions and strong tradition in agriculture and agrifood are a naturally strong starting point for growth in the agri-food sector. Ireland is well positioned to access and supply EU markets, our strong grass-based agricultural system is perfectly positioned to adapt to the environmental challenges facing agriculture globally.

Food Security

The global demand for food production is set to increase by 70% by 2050. With a projected 2.3 billion additional people worldwide, food production demands will undoubtedly soar. The capacity of the agri-food industry globally to meet this demand is questionable. Ireland should recognise the potential that this opportunity affords us to rapidly expand our agri-food export market. Equally, it highlights the future need for a sustainable supply of food domestically, particularly given the cost and environmental implications that would ensue if Ireland is forced to depend on food imports in the future.

Global Green Reputation

Ireland has a 'green' reputation globally and this has not been maximised in terms of how we position and market our agri-food industry. Food and tourism industries go hand in hand and the green image Ireland has acquired in tourism must be transposed and used the agri-food sector to the same advantage. Irish standards in food quality and traceability are of a very high standard and this further reinforces our global brand potential.

4. CSO Statistical Yearbook of Ireland 2010

Young Workforce

The demand for courses in agriculture has increased dramatically in the last number of years and is estimated to be at its highest level in two decades. This renewed interest and appreciation for the agri-food sector must be captured and used to turn the demographic trend around to provide a secure, young, vibrant and well educated future for the industry. Third level institutions such as UCC have demonstrated the potential of the sector in food science education and research and how this may feed into entrepreneurship and job creation in the agri-food sector.

Export Led Recovery

Strong growth in exports will be central to Ireland's economic recovery and the agri-food sector is well placed to deliver in this respect. As the largest indigenous exporter, accounting for two thirds of exports from Irish owned manufacturing companies, the agri-food industry has the capacity to contribute massively to economic recovery. The signs of recovery in the sector in 2010 highlights the ability of the industry to bounce back and the job creation potential attached to the sector.

Green Agenda

The capacity of the agricultural sector to assist in the pursuit of Ireland's climate change agenda must not be ignored. The sector has a significant capacity in the area of renewables and forestry to bring about real change in mitigating the effects of climate change. The industry will grasp this opportunity if there is a sense that Government is seriously pursuing policies which will result in sustainable sources of income.

THE GREEN FOOD ISLAND

Fine Gael believes that Ireland can position itself as a world leader in food production. If we introduce real reforms to capture the potential of the sector, the family farm structure can be preserved and Irish producers, suppliers and processors will have new avenues for produce and new opportunities for diversification to sustain the industry for the long term.

The 2020 vision for growth, developed by industry on behalf of the Department of Agriculture is both ambitious and achievable. However, the targets involved are only deliverable if we tackle the inefficiencies that are stifling the sector and new opportunities to young people and fledgling businesses.

The agri-food sector is innovative. Given the opportunity, agri-food businesses will expand on the existing potential of agri-food export markets. However, there are a number of tangible measures that must be introduced to help the sector meet its potential and beyond.

The Fine Gael vision for the sector is a short-medium term view of tangible measures that will help create a platform for growth. The Fine Gael plan is based on a three pronged strategy for the sector:

- 1. Efficiency**
- 2. Fairness**
- 3. New Opportunities**

If the agri-food sector is to fulfill its potential, the overall vision and strategy for international growth must be underpinned by real change in Government policy domestically.

Fine Gael has a plan which will develop the kind of environment needed to deliver real growth in the agri-food sector, promote new models of farm ownership, deliver new income opportunities for farmers and reduce the burden of regulation impeding growth and development.

1. EFFICIENCY

REFOCUS THE DEPARTMENT OF AGRICULTURE

The Department of Agriculture, Fisheries and Food is large with 3, 673 staff in the Department alone, with additional staff in associated agencies under the remit of the Department. The focus of the Department has traditionally been on processing grant applications, devising plans to use EU funding and disseminating funding. The Department is not geared towards the development of national policies which support those developed at an EU level and this must be addressed if the sector is to thrive.

Departmental breakdown of staff ⁵

Department Division	Number of Staff
Agricultural Payments	971
Corporate Development	643.6
Fisheries	114.7
Food Safety & Production	1,766.1
Policy Development	177.6
Total	3,673

The proportionately small number of staff working on policy development is an indicator of the focus of the Department and its priorities. If we are to achieve growth targets in this area, the Department of Agriculture must be a driver of growth in the agri-food sector.

Fine Gael proposes a radical refocusing of the Department of Agriculture. Under a Fine Gael Government, the Department's core focus will be as a policy maker and innovator, not a payments processing facility. It will be reorganised for flexibility, cooperation and efficiency.

New Agri-Payments System

The traditional focus of the Department of Agriculture has been on processing payments. This is one of over 20 Government agencies and Departments that process entitlements for the citizen. Under Fine Gael's plans for Public Sector Reform, Reinventing Government, Fine Gael will develop a one-stop-shop for citizen entitlements called the Payments and Entitlements Service (PES). The PES will act as a single port of call for the consumer for a variety of entitlements including agricultural payments.

Fine Gael will deploy staff in this area from the Department of Agriculture to the PES to ensure expertise and knowledge in payments processing is retained. However, given the streamlined nature of the PES, it is expected the number of staff required will be reduced.

Innovation Division

Driving innovation across the agri-food sector will be the primary function of a streamlined Department of Agriculture, Fisheries and Food. We will create a strategic innovation division within the Department of Agriculture which will focus on driving new policy initiatives across the sector.

5. Parliamentary Response 20th October 2010

SINGLE FOOD SAFETY AGENCY

To reach new levels of growth, Ireland must maximise our reputation as a quality producer of food products. The sector has a strong proven track record generally, however the pork dioxin crisis was a stark reminder that our food safety reputation internationally is fragile and must be supported by a robust food safety system.

Fine Gael firmly believes the food sector has huge potential to support extra employment and exports, but is faced with a highly fragmented State regulatory and inspection system. This is placing an excessive compliance and inspection cost burden on food businesses and makes it more difficult to manage food safety risk across the food chain.

Currently, there are a myriad of Departments and agencies involved in food safety policy, monitoring and inspection:

- Food Safety Authority of Ireland
- Department of Agriculture
- Department of Health
- HSE
- Local Authorities
- Sea Fisheries Protection Authority
- Saferood
- Marine Institute
- National Standards Authority of Ireland
- Customs
- Radiological Protection Institute of Ireland

There are 1,766 staff working under the remit of the Department of Agriculture, Fisheries and Food alone on food safety and production.

Fine Gael believes a single food safety monitoring agency responsible for food safety inspection from farm to fork would bring about greater efficiencies in this area while ensuring the highest of standards. A single body responsible for this area will not only enhance the food traceability system but will also reduce the burden of red tape on business.

A ONE-STOP-SHOP FOR AGRI-BUSINESS

The agrifood industry is currently supported by a variety of agrifood agencies and bodies which are responsible for carrying out research, education, business development and marketing. Fine Gael has proposed to streamline local business support structures for SMEs, merging city and county enterprise boards with other State funded local employment agencies. This will provide agri-food businesses with a one-stop-shop for all aspects of micro and small business development issues.

RED TAPE REVIEW

The agri-food sector is over-burdened with regulation and red tape at every step of production. While the advances in environmental compliance clearly give the sector an added advantage in terms of product differentiation, the Irish interpretation of many regulations and Directives is questionable and is seemingly overly bureaucratic and stringent in some respects in comparison to other EU countries. For instance, calendar farming demonstrates the conflict between rigid interpretation of EU Directives and the practicalities of an unpredictable environment and the consequent daily challenge this presents to farm management.

A recent EU Commission report on medium-term prospects for agricultural market suggest the EU will lose market shares and competitiveness by 2020, partly due to regulatory costs. Meat exports are expected to decline by 23% by 2020, while imports from the Latin American trade bloc Mercosur will increase by as much as 14%. This would have a particularly damaging impact on the Irish beef industry which is the fourth largest beef exporter in the world.

Fine Gael will undertake a complete review of regulations impacting on the farm gate and will complete a benchmarking exercise with recommendations for easing the burden of compliance without jeopardising environmental, animal welfare or food safety standards.

AGRI-PROOFING EU RULES

Many of the compliance issues facing the agricultural sector stem from the way EU regulations are interpreted. This problem can be averted by giving new EU rules due attention before they are finalised. Fine Gael will make sure problems with EU rules are identified at the outset by establishing a new European Legislation Committee. This will give effect to new powers for the Irish parliament to give an 'orange card' or object to proposals.

SUPPORTING AGRI-FOOD SMEs

BUSINESS INSPECTION AND LICENSING AUTHORITY (BILA)

Small businesses in Ireland are expected to complete 110 forms per annum, with compliance costs accounting for an average of 4% of turnover. This is having an impact on agri-food businesses as well as other sectors of industry. A wide range of requirements from State bodies such as the Revenue Commissioners, the CSO, Companies Registrations Office and Government Departments are leading to an excessive burden on businesses.

Fine Gael will cut the red tape burden for small businesses by 25%. This will be done by rationalising the existing structures for small businesses dealing with Health and Safety Laws and labour laws. Fine Gael will merge and rationalise existing structures, creating a Business Inspection and Licensing Authority (BILA) that will overhaul the existing system and reduce the burden of red tape on business.

This will help to cut down on unnecessary duplication of information requests and site visits, while continuing to protect the interests of staff, consumers and other stakeholders.

LABOUR COSTS

Fine Gael will review Employment Regulation Orders (EROs) to deliver a more competitive environment for job creation in the agri-food sector. We support the concept of local bargaining at enterprise level to allow for the negotiation of pay rates by small business while retaining the National Minimum Wage in all circumstances.

We will halve the lower 8.5% rate of employers' PRSI on staff earning below €356 per week for two years to reduce employment costs for businesses.

ACCESS TO CREDIT

Primary producers are, like many other SME's suffering from the lack of credit available. If the 2020 targets are to be realised, this obstacle must be overcome. For the past number of years, banks have focused on EU payments as a sole indicator of a farm's viability. On the other hand, the 2020 vision identifies long term growth, driven by a recognition of global food demands and the need to expand the base level of production to exploit the potential of the sector. Therefore, it is necessary to bring about a change in perspective across the banking sector as to how a farm's viability should be assessed and to determine credit levels.

Teagasc should work in an advisory capacity with financial institutions, Enterprise Ireland and local business support structures to bring about a new level of understanding as to the growth potential of this industry.

MARKET VOLATILITY

CAP negotiations must address the problems of market volatility and extreme fluctuations in commodity prices. As food security becomes more important and global demands increase, the EU supply chain will be vital for the domestic market. The risk caused by an insecure market can threaten the level of production and potentially leave the EU exposed to a scarcity of supply. Once the tap of food production is turned off, it will be very difficult to turn it back on.

If we can steady the market, we will give the producer and the consumer certainty in terms of a quality food supply. The EU as a whole needs to tackle the issue of market volatility to avoid a future dependency on imports, which will prove more costly and less certain in terms of both quality and availability.

EU Strategy on market volatility: Fine Gael will campaign at an EU level to develop a pragmatic policy through CAP to deal with market volatility, giving both producers and consumers certainty and a reliable food supply.

Fair Trade Forum: On the domestic front, Fine Gael will establish a Fair Trade Forum, bringing together experts in the sector to investigate alternative pricing mechanisms used in other jurisdictions such as forward contracts for each sector to provide Ireland with a detailed overview of the impact such policies would have on the Irish agri-food industry.

A CARBON NEUTRAL AGRICULTURAL ECONOMY

Ireland has the lowest forest cover by percentage of land area in the EU, at just 9%, compared to an EU average of 35%. Forestry can and should play a vital role in achieving Ireland's climate change targets and could potentially significantly reduce the agricultural carbon footprint. The annual removal of carbon dioxide from the atmosphere by Ireland's forests exceeds 6 million tonnes (Mt) per annum, or some 2.4 Mt net when harvesting is taken into account. Forest sinks should have a greater contribution towards national efforts to reduce greenhouse gas emissions. However, limits surrounding the recognition of the forestry production in climate change mitigation at both an EU and domestic level are preventing the sector from contributing to the greatest extent possible.

The rules about carbon sequestration from forest sinks and other land uses in the period post-2012 will be decided as part of the global negotiations to replace or indeed adapt the Kyoto Protocol. Fine Gael will push for the inclusion of forestry as a sequester of carbon in future calculations of emissions from all land use activities.

ANIMAL WELFARE

Despite the Government's supposed commitment to animal welfare, it failed to introduce any meaningful changes to the animal welfare regime. Legislation in the animal welfare area is outdated and is not proving effective.

Fine Gael will tackle outdated legislation in this area and publish a new Animal Health and Welfare Bill, to deal with recent problems in this area such as horse welfare.

All-island animal health regime

Fine Gael will fast-track a new all-island approach to animal health, working with the authorities in Northern Ireland to develop a consistent approach to regulations across the country.

Disease Control

We will carry out an evaluation of cost effectiveness of disease control protocols, to establish whether current disease control mechanisms are working and to determine the strategy needed for future investment.

2. FAIRNESS

A strong agricultural sector must be underpinned by fairness; a fair price for producers and a fair price for consumers. Farmers are entitled to a fair price for their produce and consumers are entitled to pay a reasonable price for food. The way it stands, producers are in many cases receiving payment below the cost of production, suppliers are being forced to pay out millions to retailers to secure a place on supermarket shelves and consumers are paying the second highest food prices in the European Union, 29% higher than the EU average. The power of the retailer has been affirmed under the current Government and both the consumer and producer are losing out.

Balance must be restored to the food chain if we are to ensure sustainable and secure food production for the longterm. Fine Gael proposes introducing a number of measures to redress this balance and secure fairness in price across the board from farm to fork.

FAIR PRICES FOR PRODUCERS AND CONSUMERS

Fine Gael will introduce Fair Trade legislation to outlaw illegal practices in the grocery sector, giving farmers and consumers access to fair prices. Unfair trading practices are threatening employment and investment in the food industry and serve no benefit to the consumer. Our approach will introduce measures which will bring a level of transparency to a sector shrouded in secrecy.

The Bill will:

- Ban retailers from demanding payment from a supplier for advertising or displaying grocery goods, or for providing selling space for grocery goods in a retail outlet.
- Require all retailers and suppliers to maintain a statement of supply which details the terms and conditions of any agreement undertaken and requires retailers or suppliers
- Make sure turnover and gross net profit for each multiple retailer in the State is reported annually
- Make sure the extent of sourcing by multiple retailers of food products sourced in the State is published annually
- Introduce transparency and clarity to the industry and will give Irish suppliers the opportunity to compete with other suppliers on a level playing field to provide consumers with access to top quality products at competitive prices.

COMPETITION AND UTILITIES COMMISSION

Fine Gael will merge the Competition Authority, the National Consumer Agency (NCA), the Commission for Communications Regulation (ComReg), the Broadcasting Authority of Ireland (BAI) and the Commission for Energy Regulation (CER) into a single, more powerful Competition and Utilities Commission. We will seek to empower this new over-arching regulator and consumer champion to enforce our Fair Trade Act. The Competition and Utilities Commission will also act as a dispute resolution system for complaints in the food retail sector.

CLEARER LABELLING ON AGRI-FOOD PRODUCTS

Irish producers are not on a level playing field with other jurisdictions due to the inherent unfairness of the food labelling system. Irish producers, who comply with high environmental, traceability, food safety and quality standards, are often placed at a disadvantage by inferior produce imported from areas outside of the EU and which are often mistaken for Irish produce due to loopholes in food labelling legislation. The Irish consumer has shown a clear preference to buying Irish. Misleading labelling is actively preventing the consumer from making a properly informed choice.

Some meat products are imported and undergo 'substantial transformation', which could mean minor

processing like the addition of breadcrumbs and are then passed off as Irish. Some poultry products are imported in gas flushed vacuum packed containers, unsealed and sold individually, when they should be used immediately upon opening.

Irish producers such as those in the poultry and pigmeat sectors are being placed at an unfair competitive disadvantage by imported products posing as Irish.

Fine Gael believes the consumer should be given enough information to make an informed choice when they are purchasing and the producer should have access to a level playing field in competing with products from other countries.

Single Green Food Island label

We will develop a new brand for all Irish food products, the Green Food Island label. This will be used to position Ireland internationally as a source of safe food produced to the highest standards while protecting the environment.

Country of Origin Labelling

We will push for agreement at an EU level for the development of country of origin labelling without further delay to differentiate Irish producers and inform the consumer about buying quality Irish produce.

Date of Slaughter and country of slaughter

As well as introducing country of origin labelling, Fine Gael believes the country of slaughter and date of slaughter must also be included on labelling.

Guideline Daily Amounts

Good food and a healthy diet are not mutually exclusive. In developing consumer awareness of Irish food brands, we will also promote the quality of Irish products and how they can be incorporated into a healthy diet by embracing the established recommendations for daily consumption. We will work with industry to introduce a Guideline Daily Amounts label for food products.

GM Content

To date, an honest and open debate on the GM technology and food has been sidelined by ideological posturing. Fine Gael believes the consumer and industry are entitled to an open and frank discussion on the merits or otherwise of GM. Consumers in particular are largely unaware of GM presence in the food chain.

We will commission Teagasc to carry out new research in this area which will form the basis of a consumer awareness initiative on GM in Ireland.

3. NEW OPPORTUNITIES

Given the fundamental changes happening in the global economy, there are huge new opportunities for the Irish agri-food sector. Fine Gael believes that Ireland could become the world leader in low carbon, high quality food production. Fine Gael will create new opportunities for farmers and agri-food businesses, by exploring new avenues for income generation. Given the economic constraints now facing the country, the revision of the Common Agricultural Policy will be a vital support in developing new initiatives in the sector. However, there are other opportunities for expansion in the sector and by creating a more efficient and fairer operating environment, Fine Gael will open up new opportunities and capacity for greater productivity in the agri-food sector.

CAP REFORM

This is a crucial period for CAP Reform. There are a number of critical issues to be determined over the coming period of negotiations; the overall CAP Budget, Ireland's proportion of available funds and changes to the future Single Farm Payment system. CAP funds and direct payments are of critical importance to the agricultural economy and farm incomes, particularly in the current domestic fiscal climate.

Fine Gael is uniquely positioned to negotiate a strong deal for the Irish agricultural sector in Europe through our connection with the European People's Party, the largest political grouping in the EU.

The priorities underpinning our approach to negotiations will be to:

1. Secure a strong overall CAP budget
2. Ensure Ireland maintains a fair share of this Budget
3. Target the Single Farm Payment at active producers
4. Tackle market volatility issues for producers
5. Highlight food security issues
6. Emphasise measures to address climate change and environmental protection
7. Prioritise animal welfare issues
8. Cultivate new approaches to rural development
9. Develop new measures to deal with land mobility

It is vitally important that the reformed CAP targets active producers, incentivising younger farmers, promoting more intensive production and encouraging growth.

Fine Gael will negotiate a fair CAP for Ireland through our links with the EPP in the European Union, to deliver the best possible framework for farmers and the agri-food sector for future growth.

Farmgate Supports

As a result of the Government's economic mismanagement, a number of farmgate schemes have been cut. Fine Gael's priority in Government in the context of a future CAP deal for Ireland will be to deliver access to schemes aimed at increasing productivity in agriculture, maintaining high environmental standards and incentivising young farmers.

Fine Gael will also investigate the possibility of expanding the Agri-Environment Options Scheme (AEOS) to those farmers locked out of the scheme following the conclusion of their REPS contracts by delivering efficiencies within the current budgetary framework.

WORLD TRADE NEGOTIATIONS

The impending threat of Mercosur and world trade negotiations must not be ignored and are expected to be revisited at a European level during the coming year. The potential of such a deal on the Irish livestock, pigmeat, poultry and tillage sectors is of serious concern. The beef sector, worth €1.51bn in exports in 2010 is particularly in danger of being compromised.

This is of even greater importance at a time when agri-food exports are vital for the economy. Fine Gael will not allow domestic concerns to distract from the importance of such discussions and will use every opportunity available to block any proposals which threaten the viability of important exports.

YOUNG FARMERS

The proportion of farmers under the age of 35 is very low currently at 6.9%. This statistic must be reversed to breathe new life and a new intensity of production into the sector. The withdrawal of installation aid funding has meant that farm transfers have been temporarily postponed in many cases. Ambitious food production targets will not be met unless farming becomes more efficient and younger farmers are encouraged to explore new opportunities. At the heart of this are three key fundamentals; access to land, incentives to enter the market and strong educational supports.

The demographic profile of our farming population is heading in the wrong direction. Currently, approximately 93% of the farming population is estimated to be over the age of 35 and 50% of farmers aged 55 or over. However, the demand for courses in agriculture has increased dramatically in the last number of years and is estimated to be at its highest level in two decades. This renewed interest and appreciation for the agri-food sector must be captured and used to turn the demographic trend around to provide a secure, young, vibrant and well educated future for the industry.

New Farm Models

Fine Gael wants to protect the family farm structure but recognises that there must be a means of allowing new entrants who do not own land to obtain access to the market. There is a misconception that to retain the family farm model land must only be transferred from one generation to another and must not involve any external involvement. However, in other countries, new farm models have allowed farm land to remain under the ownership of the family, while allowing access to young farmers trying to get involved in agriculture.

Fine Gael supports the concept of farm partnerships and shared farming arrangements, which allow new entrants to the market without families being forced to sell or transfer ownership of their land. We will evaluate the current farm partnership agreement, negotiated by Teagasc with Revenue to assess why take-up of this model has not been successful and will revise it accordingly.

Teagasc will then be tasked with providing an educational module on new farm models to encourage greater participation.

Educational Supports

The Expert Group on Future Skills Needs highlighted the need for upskilling in the agrifood sector. Produced in 2009, it found that 62% or 30,000 of those employed in the food and beverage sector have low or no level of formal second level education.

Agricultural colleges have been inundated with applications in the past two years and points for agricultural courses at third level soared with increases of up to 55 points in some disciplines in 2010. We will allow for greater flexibility in respect of the Teagasc budget to deal with the restrictions imposed

by the moratorium on public sector recruitment. This will allow for increased capacity in agricultural colleges run by Teagasc, where demand for courses outstrips supply.

Fine Gael will co-ordinate the delivery of recommendations outlined by the Expert Group on Future Skills Needs for skills development in the food and beverage sector. In particular, we will expand on the Bord Bia Fellowship programme, to provide more work experience placements for young graduates in agri-food business.

In line with our third level reform policy and building on existing strategic partnerships between Teagasc and University College Cork, we will encourage further specialisation in the area of agri-food education and research, to develop Ireland as a food research hub. This will add to our growing reputation as a centre for innovative food production and could expand on our existing success in food processing.

Fine Gael will examine the feasibility of reopening the Teagasc Farm Apprenticeship Scheme, to provide access to a low cost, practical work experience opportunity for young farmers.

Supports for Young Farmers

CAP Reform

In many respects the structure of farming has disimproved over recent decades and production has declined. Fine Gael will consider a revision to current arrangements so that land will be put into the hands of young people who will expand and grow the sector, increase employment and expand agri-output. As a basis for this initiative Fine Gael will review the structure and growth of Irish agriculture and to examine the legal fiscal and other policy instruments to expedite structural change towards achieving the further development of the sector in the context of the forthcoming CAP reform.

Developing targeted policies under the new CAP in this area will be a priority for Fine Gael in our negotiations at a European level.

Tax Commitments

Fine Gael is conscious that stock relief is an important benefit for young farmers at a time when other incentives and supports have been abolished. Fine Gael will maintain the existing relief.

Loan Guarantee Scheme

We will introduce a partial loan guarantee scheme for small and medium sized businesses and young farmers. Fine Gael's scheme will overcome some of the market failure in providing credit to sustainable small businesses. The scheme will kick start lending to business by addressing market failure and encourage entrepreneurship and micro business growth at a time when businesses are struggling to get off the ground.

GOVERNMENT CONTRACTS FOR AGRI-FOOD BUSINESSES

Public procurement policy must be overhauled to facilitate smaller businesses accessing valuable public contracts worth €16bn annually. There are huge opportunities for indigenous agri-food businesses in providing food products for public sector bodies and programmes such as the school meals programme. Fine Gael will merge the National Development Finance Agency (NDFA) into the Office of Public Works to become an Office of Government Procurement and Property (OGPP). This will co-ordinate auctions for public sector contracts and encourage larger companies to sub-contract to smaller firms.

LOCAL AVENUES FOR FARM PRODUCE

Local food production creates jobs in the community and delivers fresh local food with lower carbon footprint than imports. Farmers markets and local food businesses are popular with the hospitality sector

and tourists as well as consumers. In other countries, such as Denmark, the number of local farm shops have more than doubled in recent years as consumers are eager to support locally produced food and producers are keen to seek an alternative outlet for their produce to supermarkets.

In cooperation with local authorities, Fine Gael will promote the support of farmers markets and farm shops in all towns in Ireland.

Food Tourism

Ireland has a significant network of artisan food producers, cookery schools and reputable restaurants, in addition to high quality seafood, meat products and fresh produce. This should be a key selling point for Irish tourism and is an opportunity for farm diversification and job creation. Fine Gael will develop a culinary tourism strategy through Fáilte Ireland and will ensure greater co-operation between the Department of Agriculture, Fisheries and Food in delivering on this initiative.

‘GREEN’ INCOME OPPORTUNITIES

The challenge the Irish economy faces in meeting environmental targets also presents the agricultural sector with new opportunities for increasing market share and diversifying in terms of income generation and new opportunities. Emissions from agriculture have fallen by 8% between 1990 and 2008 and Ireland’s grass-based system has one of the smallest carbon footprints in the world. However, Ireland lags behind other European member states in developing renewable energy opportunities for the agricultural sector.

Maximising land use

Despite the targets for greater efficiency, aspirations to grow individual sectors and recognition of growth ‘green’ areas, Government has failed to look at the island of Ireland as a whole and consider the best possible use of land for different sectors. Fine Gael will develop a land use policy in Government in co-operation with industry stakeholders to plan for the development of new opportunities in a balanced and strategic way.

Carbon Tax – Exemption for Farm Diesel

The Carbon Tax was introduced under the pretext that it would be a revenue neutral measure and proceeds would be invested in energy efficiency projects. This has not happened and the agricultural sector is paying €12.5m each year in tax without seeing any real investment in renewable opportunities. We recognise the burden this is placing on the agri-food sector and will exempt farm diesel from further increases.

Exploiting the potential of Forestry

Ireland’s natural resource in woodlands is not being developed to its full potential. Despite ideal growing conditions, biomass production in Ireland remains low with only 9% of land under forestry. The National Planting Target is 17% of the land area however, spending cuts have reduced the planting rate to 7,000 hectares per annum, rendering this target unobtainable.

Forestry is a sector that is recognised as being important for a number of reasons; raw material for the wood sector, fuel for heat, biomass plants, carbon sequestration and has the potential to act as a significant contribution to family farm incomes. Fine Gael has a strategic plan aimed at developing the forestry sector and generating jobs for rural communities.

Fine Gael’s NewERA plan, will merge Bord na Mona and Coillte into a new company called “Bioenergy

and Forestry Ireland (BFI)" to expand Ireland's position in biomass. Under NewERA, BFI will invest €250m per annum over four years in the sector to become a global leader in the commercialisation of next generation bio-energy technologies. Thousands of jobs will also be created through an ambitious afforestation target of almost 15,000 ha per annum.

In conjunction with the need to meet afforestation targets, the forestry sector has been held back by difficulties in the regulatory environment. Ireland is currently importing timber from Latvia and Scotland to support our timber processing industry as there are a number of obstacles facing the industry in accessing our own woodlands. Fine Gael will unlock the value of our forests by addressing these regulatory challenges and lifting the regulatory burden where appropriate.

Growing the market for renewable crops

Under our NewERA plan, BFI will give biomass development the priority it deserves and will give farmers access to a sustainable market for renewable energy crops. As part of its biomass strategy Fine Gael will ensure that the Government, which currently spends over €300 million a year on imported fossil fuels to heat and power public buildings across the State, will become a major biomass customer, providing growers with guaranteed markets for their products in CHP plants.

National Agriculture Based Energy Policy

Fine Gael will publish a National Agriculture-Based Energy Policy to link agriculture and forestry production with carbon sequestration requirements, to reduce the use of fossil fuels and to incentivise the production of agriculture based energy from agricultural crops and from agricultural waste, with individual operators, cooperatives and energy companies.

On-farm production of energy from biomass has the potential to deliver energy for on-farm use or for the national grid. Our policy will investigate the possibilities for developing trial biomass plants on different scales for production of electricity for sale to the national grid.

Sugar Production and Biofuel

The publication of the EU Auditor's Report into the sugar beet industry highlights the opportunity which was lost in the area of sugar production in the past. Fine Gael will carry out a feasibility study into the possibility of redeveloping the sugar beet sector, particularly with a view to the possibilities for biofuel production.

ADDED VALUE PRODUCTS

The economic crisis may have diminished Ireland's banking credibility internationally but Ireland's reputation in the food market is excellent. Ireland has a competitive advantage due to the grass-based production systems which are sustainable, healthy and low cost and also benefits from the proximity to major markets compared to major overseas competitors such as New Zealand, South America and the United States.

However, in order to rebalance an agricultural sector that is increasingly dependent on direct payments from the EU and from the Irish government for its very existence, Fine Gael believes that the food production sector will have to evolve its output for the marketplace. This will in turn achieve a decent standard of living for producers.

As well as abundant raw material, Ireland's competitive edge in the marketplace against low-cost food producing nations is innovation. Ireland has had success in innovative technological processes for industrialised food products such as milk powder. However, low value-added exports still characterise Irish exports.

Innovation is not limited to novel foods but must be applied to every market from product positioning to new packaging including new ways of presenting home-grown healthy food to consumers.

The potential for added value production has not been properly explored. We will develop a collaborative approach to food research, drawing together stakeholders including Enterprise Ireland, Teagasc, the third level sector and industry.

We will also amend the R&D tax credit regime to make it more attractive and accessible to smaller businesses.

MARKETING THE GREEN FOOD ISLAND

A key consideration in developing the Irish market internationally will be an ambitious and targeted marketing strategy. Fine Gael will require Bord Bia to develop a single brand for Ireland, the Green Food Island, promoting Ireland's key strengths as a food producer:

1. Good quality, traceable food
2. Produced to the highest environmental and animal welfare standards
3. Low carbon, grass based model of food production
4. Innovative, value added products

Bord Bia

The structures driving the marketing campaign for Ireland must be integrated and efficient. Fine Gael believes Bord Bia should not be involved in the level of inspection and food monitoring it currently undertakes. Fine Gael will require the single food safety agency to carry out all food monitoring and inspection functions and approval from this body will be sufficient for Bord Bia requirements. Bord Bia will focus primarily on marketing Ireland as the Green Food Island.

Home To Export

We will develop a 'Home to Export' programme to share the expertise of exporting companies with firms currently reliant on declining domestic markets. We will also develop a 'Source Ireland' portal to market Irish goods and services abroad.

Protected Geographical Indicators

Ireland has a thriving artisan food product industry. However, in comparison to other European countries we have not maximised the marketing potential that may be exploited from achieving protected geographical indicator status for indigenous foods. Connemara lamb has already been successful in this regard and has reaped the benefits.

Regional brand development is a key to achieving this distinction and will also inform the domestic market as to what quality local food products are available. We will require local business support structures, in conjunction with Bord Bia to work with indigenous food products to achieve this status for Irish products like speciality meats, artisan cheeses, honey, chocolates and seafood products.

Carbon Footprint

When a standardised carbon footprint is established for food production, Fine Gael is certain that Ireland will be recognised as a low carbon model of food production. As part of the Green Food Island label, we will promote Ireland internationally as a low carbon food producer.

Ambassador of Trade

In a market-focused economy, a coordinated effort is needed to promote the good reputation of Irish food products in the world markets. Fine Gael will consider the introduction of a high profile Ambassador who could strengthen exporting efforts.

SUPPORTING THE SEAFOOD SECTOR

Fine Gael believes Ireland, as an island nation with a strong and valued fishing tradition has huge potential to succeed as a serious competitor in the international seafood sector. The seafood industry currently generates annual revenues of €718 million and provides direct employment for 11,000 people. With an estimated 40 million tonnes of seafood to be required annually by 2030, there is significant scope for further expansion.

Common Fisheries Policy: We will negotiate the best possible deal for Irish fishermen in the context of the ongoing review of the Common Fisheries Policy. Our priorities are:

- A progressive reduction of discards, fishery by fishery and in all maritime regions in the EU.
- Protection of the Hague Preferences
- A uniform and transparent regulation regime
- A clear, independently audited database of infringements across the EU
- The development of a sustainable aquaculture plan
- A strong focus on seafood marketing, labelling and country of origin to ensure imports meet the same standards on safety, hygiene, traceability, recall, information and audit.

Sea Fisheries Bill: We will publish legislation to replace the criminal sanctions system for minor fisheries offences with an administrative sanction system to bring Ireland into line with other European jurisdictions.

Funding for Fisheries: Fianna Fáil and Green Party in-fighting has limited Ireland's ability to draw down EU funds for seafood development. We will resolve difficulties blocking the drawdown of available funds.

Aquaculture Licensing: An additional 42 million tonnes of farmed seafood will be required to keep pace with demand each year by 2030, just 20 years away. We must increase our raw material supply and expand our aquaculture sector. We will remove administrative obstacles and clear the backlog of aquaculture licences currently preventing the creation of thousands of jobs in the aquaculture sector.

Value Added Products: Currently, 85% of all Irish seafood is commodity traded. There is a significant opportunity to generate more value from this raw material base. Fine Gael will task Bord Iascaigh Mhara with assisting Irish companies in adding value to their products through innovation.

Single Food Label: We will create and market a single label for all Irish produce and will drive a targeted marketing campaign to grow the Irish brand in new markets.

STEERING THE MARINE

Marine Department: Marine and fisheries policy is currently spread across three Departments. Fine Gael will merge these responsibilities under one Department for better co-ordination in policy delivery.

National Marine and Coastal Plan: We will develop an integrated marine and coastal planning process to reach the full potential of our coastline in fishing, aquaculture, ocean energy and tourism.

Ports Development: We will support the development of our ports and marine sector as important drivers of economic growth. We will also replace the Boards of all State Port companies and Harbour Commissions within one year of entering government.