Agri-Food Sustainability Mechanisms: Public vs Private Approaches

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Introduction

- **Policy shaping EU and Irish agriculture** sustainability (Green Deal, F2F, Strategic Dialogue + Global and national commitments)
- **Focus shift**: from economic and social to **environmental sustainability**
- But **economic and social sustainability are necessary** to deliver environmental sustainability
- Understanding the **characteristics of Irish agriculture** is crucial. No blank canvas
- Mechanisms to enhance sustainability: **Private & Public** (Pros & Cons)
- **Stakeholders:** Farmers, Food Industry, Policy Makers, Consumers
- Brief look at **Sustainability Mechanisms** in **other countries**
- Some tentative **conclusions**

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Irish Agriculture and Sustainability: Key characteristics to consider

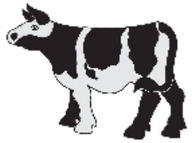
Economic:
Innovation/financial strength varies
Contrast between dairy and beef
Significant part-time farming
Low population density
High food export capacity

Environmental:
Prevalence of bovine agriculture
GHG emissions concerns
Water quality and biodiversity issues

Social:
Strong attachment to land
High age profile of farmers
Challenges around generational renewal

Key point:
We are not standing from a blank canvas
The future agri-food sector will need to evolve from what is there are present



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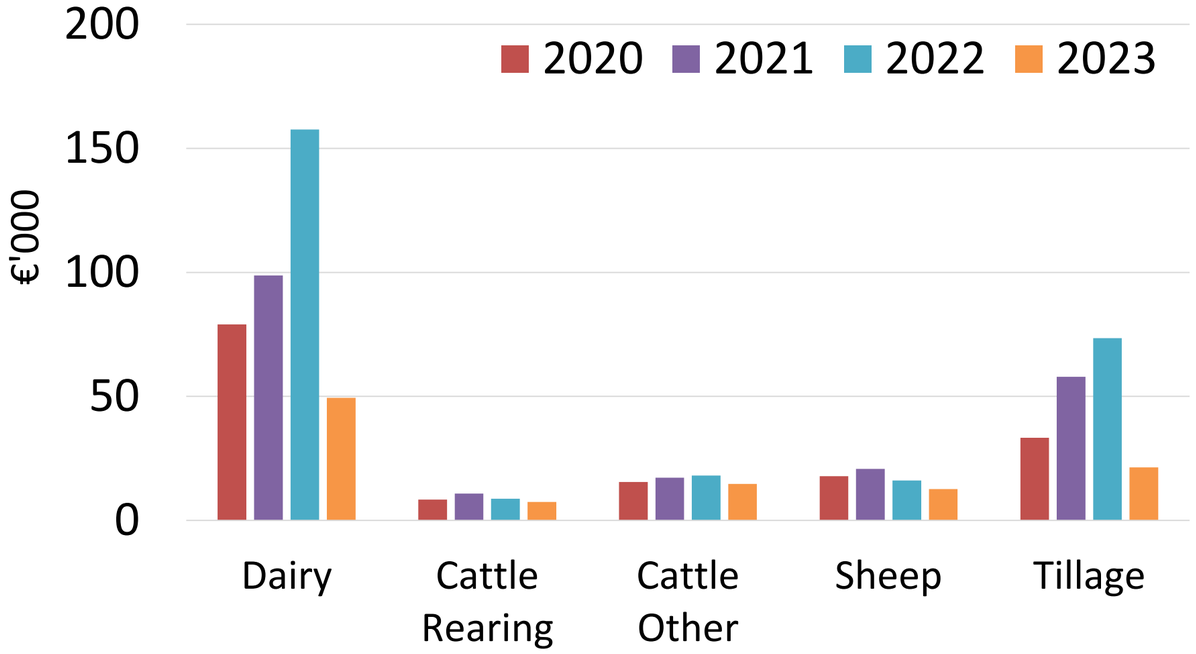
Economic Sustainability: Average Farm Income



- Chart shows average income levels on dairy, cattle, sheep and tillage farms in recent years
- **Farm Income:** Value of farm output minus production costs plus support payments

- Large income differentials across systems
- With income volatility also varying by system

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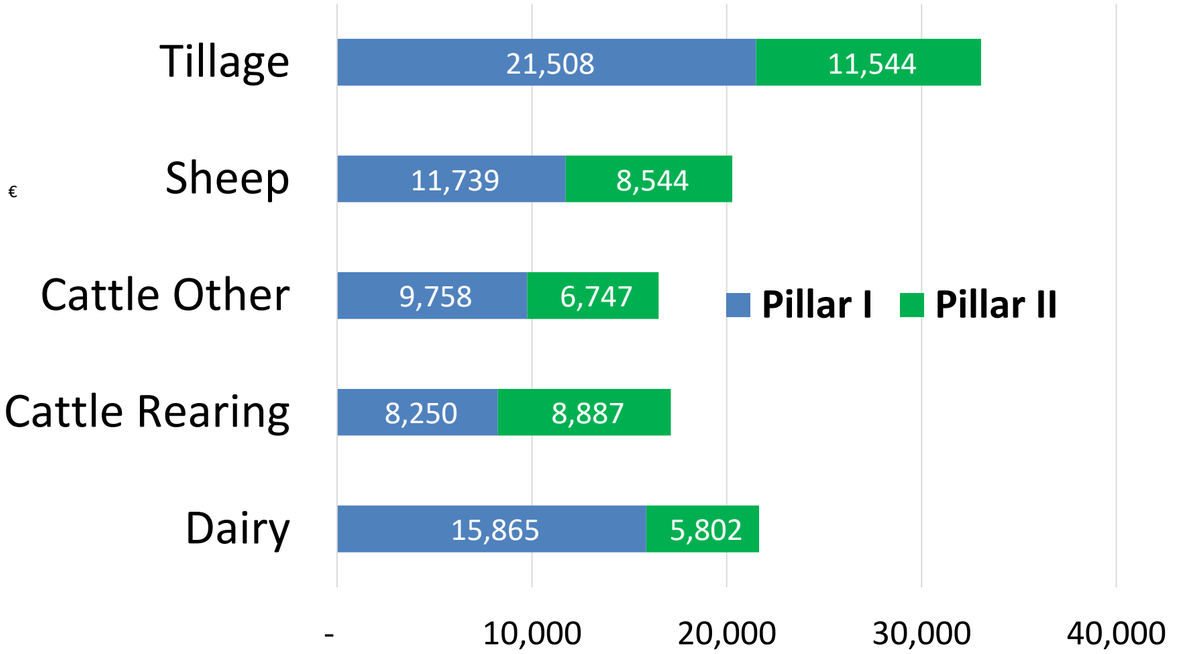
Economic Sustainability: Role of Support Payments

Chart shows Pillar I and Pillar payments (€) for average farm



	Support as a % of Income
Dairy	44
Cattle Rearing	231
Cattle Other	112
Sheep	161
Tillage	154

- Considerable differences in level of support (largely related to farm area)
- Payments make up a considerable share of farm income

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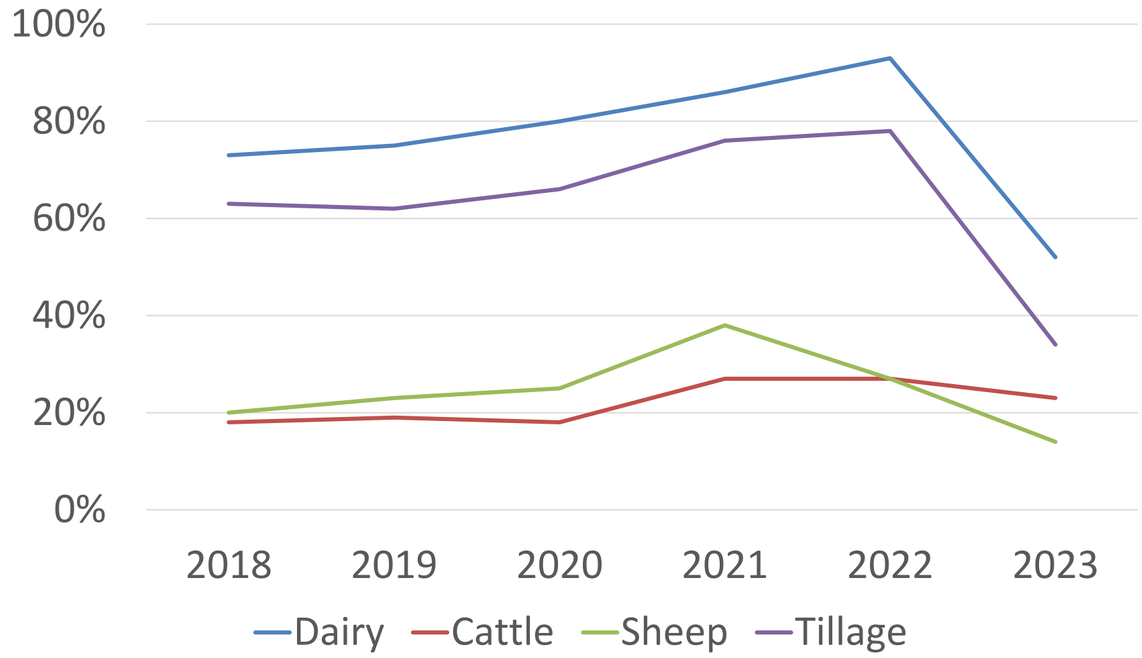
Economic Sustainability
Economic Viability

Chart shows % Viability of dairy, cattle, sheep and tillage farm populations in recent years



Viable Farm:

A farm is defined as Viable if

a) family labour is remunerated at ≥ to the minimum wage

and

b) there is also sufficient income generated by the farm to provide a 5 per cent return on non-land based assets (labour and capital)

- Large differences in viability across farm types
- Viability dropped across the board in 2023

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Sustainability Mechanisms Private & Public

- **What are they?**

- **Private Mechanisms**
  A. Product Certification (e.g., Origin Green)
  B. Corporate Sustainability Initiatives (run by food businesses)
  C. Voluntary Standards (e.g., UK Carbon Trust)

- **Public Mechanisms**
  A. Legislation (Regulations that must be followed)
  B. Financial Incentivisation (supports for scheme participation, grant aid etc)
  C. Financial Support for Research (EU and state funding to support agri-food research

Pros and Cons of Private and Public Mechanisms

Private Mechanisms:

Pros

Quickly setup and can evolve more easily
Self-financing potential (consumer funded)
Opt in/out nature for potential participants

Cons

Potential lack of oversight mechanisms
Risk of short lived goals/objectives
Risk of 'greenwashing‘ (spin vs substance)

Public Mechanisms:

Pros

Blanket coverage (compulsory involvement)
Long-term (consistent) objectives
Enforceability (oversight mechanism)

Cons

Slow implementation (political red tape)
Burden on exchequer (taxpayer funded)
Risk of unfair or ineffective design (hard to cater for extreme/unforeseen cases)

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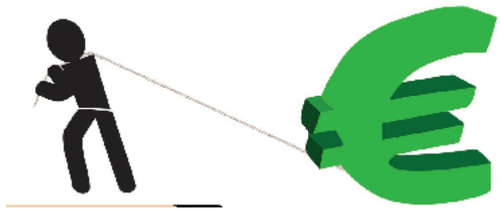
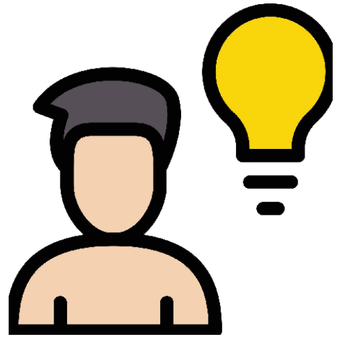
Stakeholder Perspectives: Shared Interests

Stakeholders: Farmers, Food Industry, Policy Makers, Consumers

- **End goal:** Long-term sustainability improvement is required
- **Burden:** Recognition of costs involved in addressing sustainability (environment in particular)
- **Technology:** Need for new technologies (to deliver economic, social and environmental dividends)





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Stakeholder Perspectives Competing Interests

Stakeholders: Farmers, Food Industry, Policy Makers, Consumers

- **Implementation:** Rigid regs (policy makers) vs flexible regs (farmers/food industry)
- **Timescales:** Desire for short-term vs long-term progress (may differ depending on metric)
- **Emphasis:** Economic survival (farmers) vs environmental goals (policymakers and consumers)

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Sustainability Mechanisms Comparative Analysis: Ireland

- **Origin Green** (public/private)
- Supermarkets supporting **local sourcing of food** (private)
- But **foreign customers** perhaps less concerned with Irish sustainability (private)
- **CAP-based supports** (public)
- Greater recent focus on **quantifiable environmental targets** (public)

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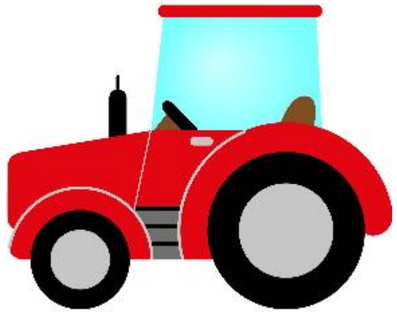
Sustainability Mechanisms Comparative Analysis: UK

- Post Brexit - Performance-based **environmental payments** in England (public)
- **Powerful supermarket influence** on UK food chain (private)
- **Red Tractor** label, **carbon labelling** (private)



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Sustainability Mechanisms Comparative Analysis: France

- Support for **biodiversity**, **organic farming** (public)
- **Fair pricing** legislation (public)
- **Local and organic sourcing** by supermarkets (private)

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Sustainability Mechanisms Comparative Analysis: Germany

- Support for **organic agriculture**, **renewable energy** (public)
- Promotion of **local products** by supermarkets (private)
- **Eco-labelling** and **organic certification** (private)

Sustainability Mechanisms Comparative Analysis: Netherlands

- **Circular agriculture** aspiration (public)
- Controversial **nitrogen emissions reduction** policy (public)
- **Supermarket partnerships** with sustainable farmers (private)

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Conclusions

- **Public** & **private** sustainability mechanisms are **common** internationally
- Both public & private mechanisms have **strengths and weaknesses**
- The perspectives of various **stakeholder** on these mechanisms are **unlikely to be fully aligned**
- A **mixed approach,** involving multiple mechanisms, is **widely used** across Europe
- Consideration **of the country-specific context** in **choosing mechanisms** is important
- Keep in mind the **balance needed** across environmental, economic and social sustainability
- The exclusive pursuit of one objective may exacerbate other challenges

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THANK YOU

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