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The Irish Agriculture and Food Development Authority

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Authentic Food Culture: realising the potential of the Traditional Irish Farm

Dr. Áine Macken-Walsh
Teagasc Rural Economy and Development Programme (REDP)
Teagasc

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Focus:

- Agriculture in Ireland – some key facts
- Farmers and the premium foods industry – difficulties and challenges
- *Middle Agriculture Model* – potential for Ireland?

Context: Farms in Ireland

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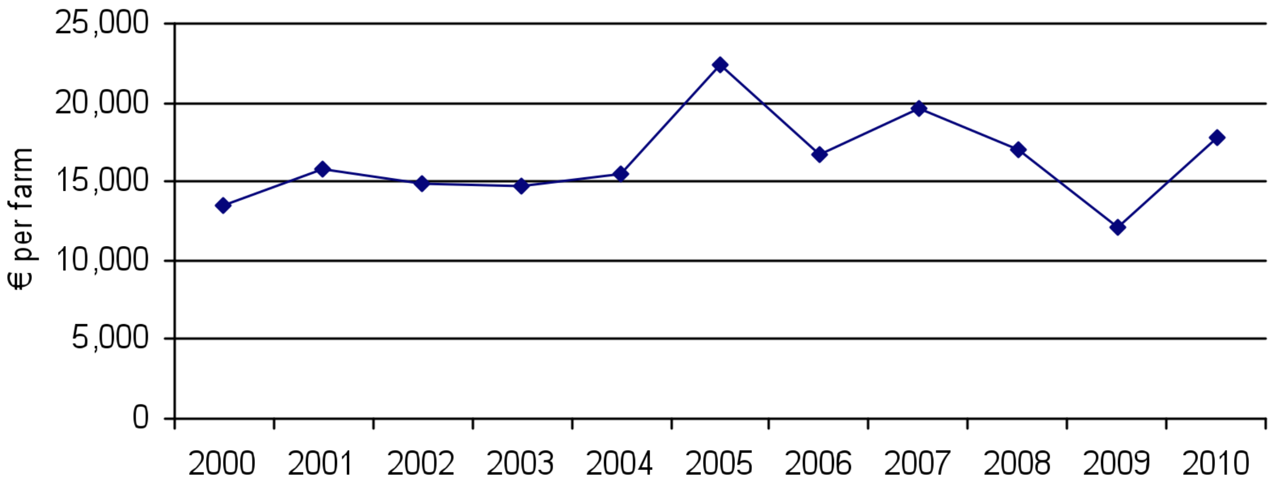
Family Farm Income: all farms

25% of farms had a farm income of less than €3,500 in 2010

Average income in 2010: 17,771

13% of farms had an income of greater than €40,000 in 2010



NFS

Family Farm Income, Direct Payments and Market Income by Farm

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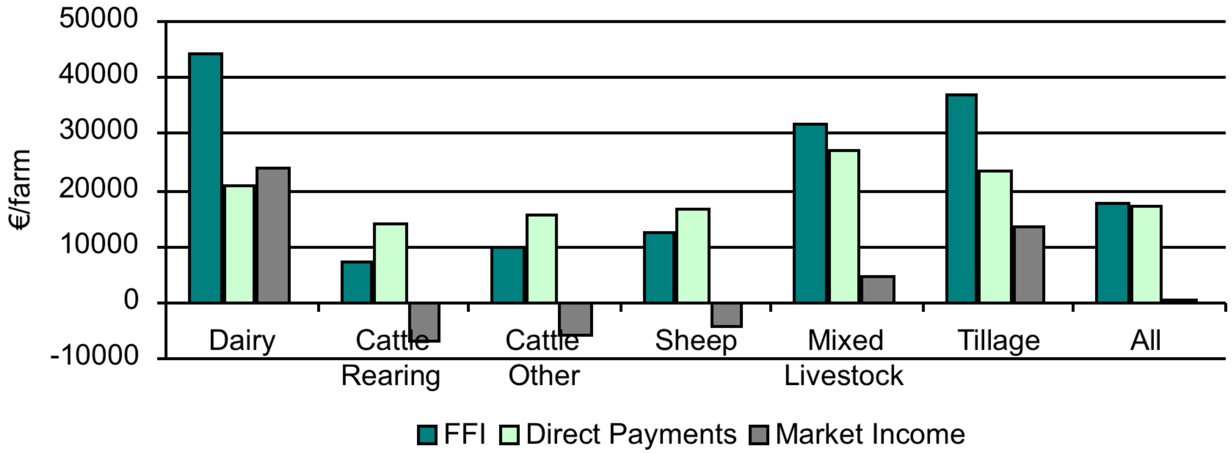

Market Output is insufficient to cover production costs on drystock systems

Average FFI is slightly greater than direct payments in 2010.

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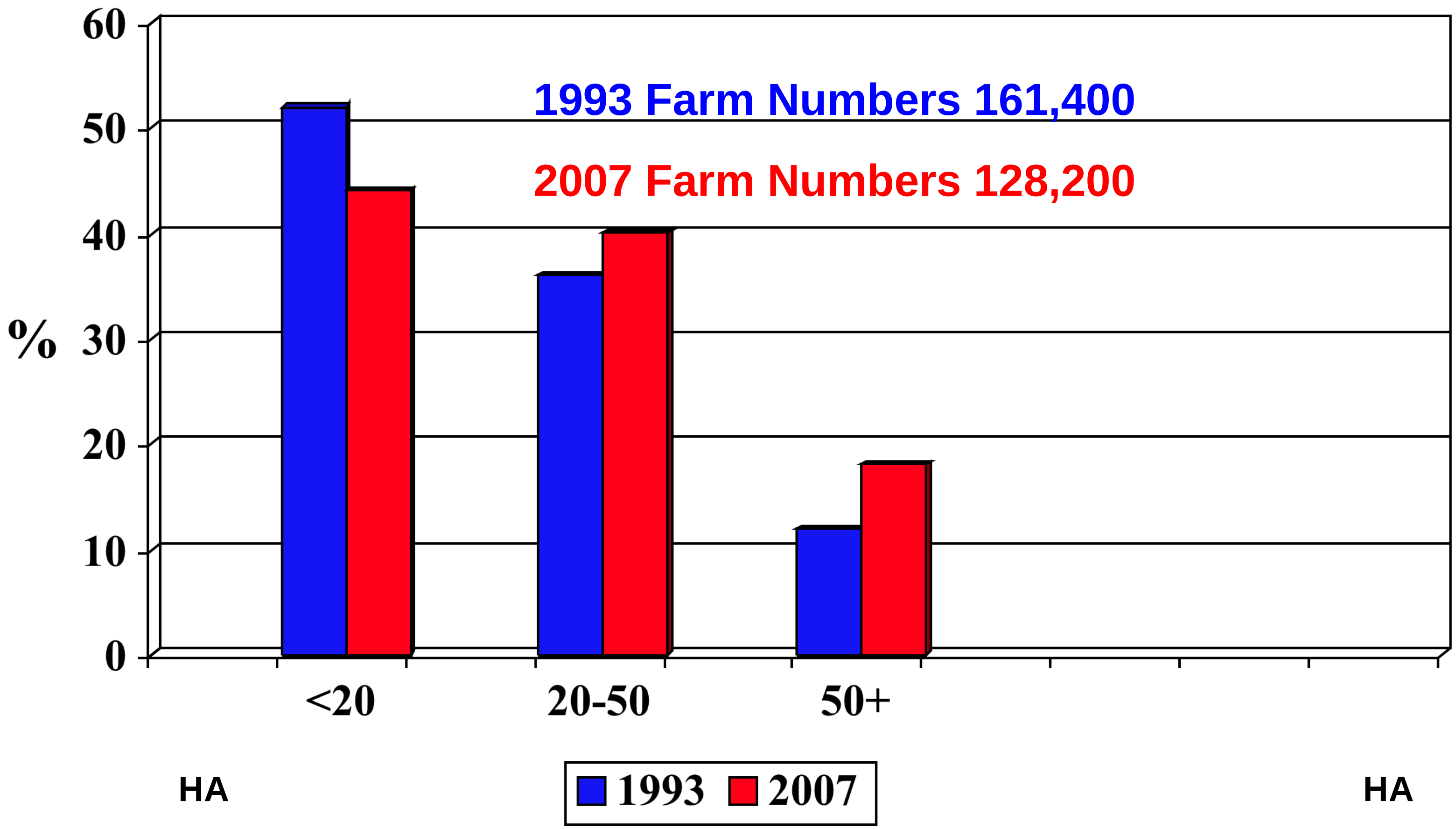
% of Farm by Size 1993 and 2007



Source: Connolly (2009)

Loss of Farms.. Consequences?

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"This is not just about "saving" the family farm. It is about the associated social, economic, and environmental costs to society. With the loss of each family farm, a rural community loses approximately $720,000 in related economic activity. Ecologists now affirm that the only way we can manage farmland in an ecologically sound manner is by having the farmer living on his/her land long enough and intimately enough to have learned how to manage it properly. With the loss of ecological land health we see the loss of soil quality, wildlife, and recreational areas. And with the loss of rural populations, the loss of public services - education, health-care, transportation - inevitably follow"

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European Union

“An agriculture on the model of the USA, with vast spaces of land and few farmers, is neither possible nor desirable in European conditions in which the basic concept remains the family farm” (CEC, 1985, p.5).

IFA/UCD Study: Of every €100 of agricultural output, €72 is produced in the wider economy” (multiplier effect)

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Routes towards viability

Routes towards viability:

There are two ways to be competitive in a global economy:

1. being the lowest cost supplier of an undifferentiated commodity
2. providing the market with a unique and superior value in terms of product quality, special features or after-sales service.

Michael Porter *The Comptetitive Advantage of Nations*

Farm Vulnerability

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"the mid-sized farms are the most vulnerable in today's polarised markets, since they are too small to compete in the highly consolidated commodity markets and too conventional and commoditised to sell in the direct speciality markets"

US White Paper on Middle Agriculture

A problem of scale?

"not scale-determined, it is scale-related. That is, farms of any size may be part of the market that [at any given time] falls between the vertically integrated, commodity markets and the direct speciality markets".

US White Paper on Middle Agriculture

Farmers?

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Diversification on Irish Farms (Meredith, 2011)

Diversification Type – Irish Farms	% Uptake
With Diversification (any)	4.1%
With Farm tourism	.94%
With Sports/Rec. Ent.	.39%
With Processing	.4%
With Diversification (other)	.78%
With Contracting	1.95%

‘Barriers to Change’

- Economic barriers:
  - Low family farm income, access to credit etc.
- Social & Cultural ‘barriers’
  - Strong farming identity: inter-generational family farm
  - Prestige & esteem associated with production activities, not with processing, branding, retail activities.
  - Lack of preference to transform occupational identity
  - Occupational preference to farm (produce) – as distinct from consumer oriented occupational activities
  - Gender: ‘one man farm’, females working off-farm

Addressing the challenge

- **Product:** what is the potential product?
- **Process:** how can farmers be facilitated to add value to the product and achieve greater viability?

Developing a ‘middle agriculture’

Market Demand

There is a burgeoning market demand for foods - neither cheap commodity foods or luxury expensive speciality foods - that are somewhere in the middle and are produced in accordance with sustainable agriculture standards. It is precisely the farmers of the middle who are in the best position to produce those products

Middle Agriculture Vision

"Imagine a large number of small and midsized family farmers, linked together in a marketing network, producing regional food products, using sound conservation practices, providing their animals with the opportunity to perform all their natural functions, preserving the identity of such food products… and making them available in the marketplace with opportunities for consumers to access the entire story of the products life cycle using existing food service delivery systems"

'Green' - Ireland's Growth Strategy

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" Ireland is small not "multinational""…"Its competitors for the "green" market cannot deliver on that promise" (Pathways for Growth)

"…high value-added parts of the food industry depend on Ireland's 'green image' for competitive advantage" (Ireland's Smart Economy)

"The modern use of 'green' to identify concern for the natural environment has, for some time, been recognised as representing a natural marketing opportunity for Irish agri-food to build on." (Harvest 2020)

The product

- Many Irish farms are small/mid-sized and non-intensive
- Sophisticated production/food safety standards – work of Teagasc
- High animal welfare, grass-based production systems (Boyle et al, 2008) – ‘free range’ / ‘open pasture’ branding?
- High numbers participating in agri-environmental schemes (59,000 in REPS) – environmental banding?
- Cultural significance: Irish heritage, farmers’ inherited knowledge of the land, territory – *“terroir”*
- *What are Ireland’s authentic regional foods?* Regina Sexton (UCC) – regional branding?

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Valorisation using *existing* capitals

- Complementary to Ireland’s existing Commodity & Artisan food industries – a *middle* ground
- Arguably already in production on the vast majority of Irish Family Farms
- No ‘revolution’ required on farms

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Farmers and the Value Chain

- Farmers "need to become part (owners) of a functional value chain structure which connects them to the markets, and organized into marketing networks to reduce transaction costs" (Kirschenmann, 2008)
- Supply chain: farmers are input suppliers
- Value chain: farmers are partners

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Institutional Structure?

- Individual Farmers?
- Farm Partnerships (Teagasc)
  - Combining resources and skills of neighbours, family members
- Middle Agriculture ‘Federated cooperative structure’ (US):
  - Critical mass to achieve scale and to contract necessary industry expertise: marketing, branding, processing, distribution…

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Cooperative forms

- Local: 10-15 members, locally managed
- Centralised: up to thousands of members, centrally coordinated and managed – can be undifferentiated to PLCs.
- Federated: constituted of local cooperatives which remain independently managed yet are linked to give scale, coordination of product, and market bargaining power

A cooperative solution?

"Older cooperative associations were formed in an era when mobilisations were organised predominantly for power and getting a fair share. Many are rooted in the first half of the twentieth century when words like "ecology" and "sustainability" were barely in the language" (Gray & Stevenson, 2008)

How are they operationalised?

- Local/regional level
- Participatory techniques employed by facilitators/sociologists
- Promoting:
  - Genuine farmer ownership
  - Good governance & democratic processes
  - Exploring regional food heritage
  - Best practice in agriculture

Federated Cooperatives:

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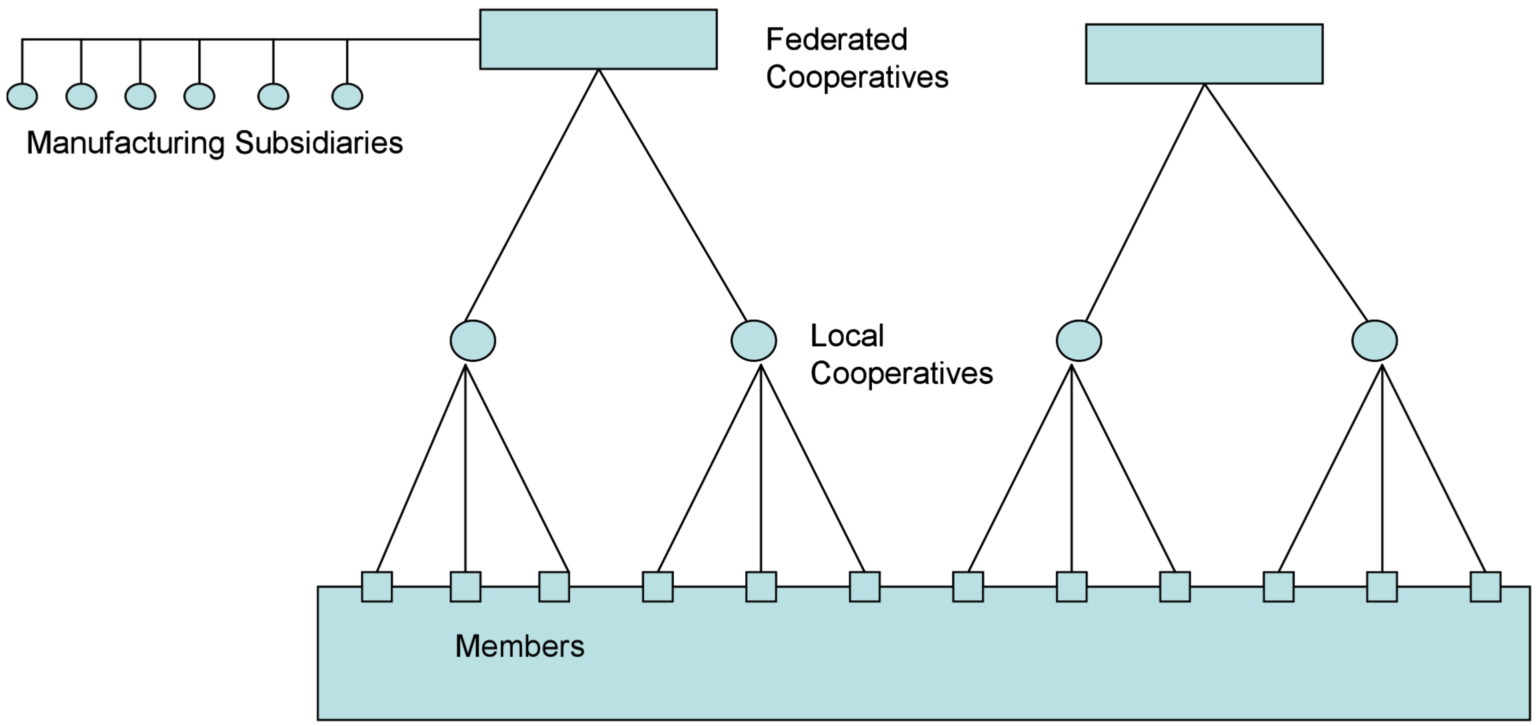
- Federated: constituted of local cooperatives which remain independently managed
- A common seal to endorse food products/brands of local coops, highlighting middle ag. values
- A third-party certification methodology bringing consistency and guarantees
- Regional/national coordination of activities and flows of product
- Professional broad-scale marketing and advertising
- Research, education and other professional supports

Diagram B

Federated Cooperatives



A targeted working group

Multi-policy/multi-disciplinary/multi-user:

- Teagasc (Research, Education, Advisory, Corporate Services)
  - Ben Roche, Farm Structures Specialist
- Bord Bia
- TASTE Council
- ICOS
- IFA & range of Farmer Organisations
- Academics & Policy Analysts
- Institutes of Technology/ Universities
- Retailers, restauranteurs, hoteliers, state organisations
- Food Historians
- Farmers

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Thank you

References

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- National Farm Survey Report 2010: www.teagasc.ie/publications/2011/1016/NFS10.pdf

- Middle Agriculture website: www.agofthemiddle.org

- Book: "*Food and the Mid-Level Farm: renewing and agriculture of the middle*" Lyson, Stevenson, Welsh, MTT Press, 2008