

## Draft

Minister Coveney's address to Oxford Farming Conference

7 January 2014

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The theme of this conference is "*Opportunity Agriculture*". I would say that's a very good start. I believe that the agri- food sector provides a huge opportunity for delivering economic growth and jobs. What I would like to focus on today is how we can utilise the opportunities provided by the agriculture sector to secure economic advantages and fulfil our global responsibilities as developed countries while at the same time ensuring that the social and environmental impacts are positive.

Food security, climate change, market volatility, extreme weather events, competition for land use and water scarcity are just some of the major international challenges that are faced by governments, policy makers, scientists and researchers today. All are challenges that serve to underscore the fact that, globally, our agricultural resources are finite and, in many cases, under severe pressure.

You are all familiar with the global context

- World population is expected to be over 9 billion by 2050;
- 70% of that population will live in urban areas – compared to 50% now;
- Income levels will be multiples of what they are at present;
- Calorie consumption per individual will also increase substantially;
- Greater affluence will lead to higher consumption of proteins
- The UNDP predicts that Africa's population alone is expected to double from just over 1 billion in 2010 to about 2 billion by 2050

And to feed this growing population, food production levels must increase by 60 to 70% over the next four decades. This is equivalent to one billion tonnes of cereals and 200 million tonnes of meat.

On the other side of the coin are the limitations imposed by

- Diminishing natural resources,
- Reduced availability of agricultural land and
- The actions necessary to combat climate change.

Achieving the conflicting aims of producing more food to attain global food security for an ever increasing population while at the same time combating climate change is one of, if not, the most important policy challenges for the world today. We are faced with the competing challenges of achieving food security, adapting to climate change while at the same time sustainably managing critical resources such as water, energy and land.

The reality is that because the total arable land available is limited, any increase in production must come largely from increased productivity. Furthermore, some 25% of agricultural land globally is highly degraded and there is a critical water scarcity in many countries. Many fish stocks are depleted or at risk of becoming so. There is also increased competition for cereal stocks from the bio-fuels sector. Added to this is the need to further reduce greenhouse gas emissions.

In addition we are faced with the possibility, as the OECD predicts, that climate change is expected to be an increasing driver of food price volatility due to the increasing frequency and intensity of extreme climatic events, such as heat stress, droughts and flooding, as well as increasing risks of fires and pest and pathogen outbreaks. Export and import restrictions, currency movements and

increases in energy prices input prices and the related costs of production are also factors that contribute to food price volatility. It is clear that the combination of food insecurity and climate change is affecting economic growth in certain regions of the world and this will be exacerbated with the anticipated growth in the world population.

So the big question is how to fulfil our obligations to increase food production levels by up to 70% while adapting to the unavoidable impacts of climate change and meeting our obligations to mitigate against further change.

The key to achieving this is sustainable intensification. Not all that long ago, agricultural production was seen as the root of the problem. With sustainable intensification, it can become the solution.

What do we mean by sustainable agriculture? The Report of the Commission on Sustainable Agriculture and Climate Change, states that ‘sustainable agriculture simultaneously increases production and income, adapts to climate change and reduces GHG emissions, while balancing crop, livestock, fisheries and agro-forestry systems, increasing resource use efficiency (including land and water) while protecting the environment and maintaining ecosystem services’. The Royal Society report “reaping the benefits – science and the sustainable intensification of global agriculture” offered a similar vision.

Improvements to agricultural production systems should result in more, sustainable and safe food systems while providing access to adequate food and nutrition, thus allowing rural people to escape from poverty. We know that geographically some countries and regions are faced with greater challenges than others and that we can learn from the experiences of others.

For Ireland, with a population of only 4.5 million, food security is not a critical national problem. We are in the fortunate position of being able to produce enough food to feed 35million people and this will rise to over 50 million in 2020. Ireland is fortunate in having many natural advantages in food production: a plentiful supply of rainwater and a temperate climate providing ideal conditions for grass growth for most of the year. It is this grass that underpins our milk, beef and sheep production and contributes to our competitive agriculture industry.

As an export and market orientated industry with high standards of food safety and quality, the agri-food industry in Ireland has an important role to play in contributing to the international security of food supply for the millions beyond our shores and to do so in a sustainable way.

Sustainable intensification, balancing economic, societal and environmental benefits, is the key driver for the continued expansion of the export-led Irish agri-food sector out to 2020 and beyond. Ireland is committed to increasing output of high quality, safe and environmentally sustainable food into the future with a view to increasing exports.

But in order to achieve all of this, the proper policy framework must be in place. Thus the outcome of the recent reform process of the EU Common Agricultural Policy was crucial.

The Common Agricultural Policy is now over 50 years old and while it has been criticised by some, the secret of its success has been its ability to evolve and adapt itself to changes in market circumstances, to producer and consumer behaviour, and to wider societal needs. The original objectives of the CAP were to increase agricultural productivity and ensure the availability of food supplies

in post-War Europe, to stabilise agricultural markets, and to ensure a fair standard of living for the agricultural community, while at the same time ensuring that supplies reached consumers at reasonable prices. After 50 years these objectives are still valid and still drive policy.

The initial proposals from the Commission for the most recent CAP reform included three main objectives. These were to ensure

- preservation of the EU's food production potential,
- management of natural resources in a sustainable manner, and
- maintenance of viable rural areas.

In addition the new CAP allows much greater flexibility and discretion to Member States to adjust the common policy in ways appropriate to local circumstances.

I had the privilege of chairing the EU Council of Ministers in the first six months of last year when the negotiations were at a crucial stage. I am pleased to say that we delivered a reform that, in my view, makes the CAP fit for purpose and supports the twin goals of competitiveness and sustainability.

In overall terms, the agreement reached on 26 June is characterised by three broad themes:

- a greater emphasis on sustainability through Pillar 1 “greening” measures and Pillar 2 environmental measures,
- generational renewal through supports for young farmers under both Pillar 1 and Pillar 2,
- a continuing move towards greater market orientation, with support measures available only as a safety net.

The EU Commission has estimated that 44% of the current rural development budget is devoted to the environment and land management axis. And direct payments to farmers are linked to compliance with environmental laws. The reforms took this to a new level by linking 30% of the annual national ceiling for direct payments to delivery of agricultural practices beneficial for the climate and the environment. This amounts to nearly €80 billion over the seven years of the next financial framework and represents a significant commitment to real greening of the CAP. Rural development programmes already have substantial environment, climate change and biodiversity elements. This will continue under the reformed CAP. An agri-environmental element will be compulsory and there is a requirement to allocate at least 30% of total rural development funds to this.

There has been some scepticism from environmental NGOs that the new greening obligations are not ambitious enough. Time will tell. The important point is that for the first time there is an explicit link between greening obligations for farmers and direct payments to them. This represents an important step-change in EU agricultural policy.

But sustainable intensification is not simply about environmental stewardship. It must also be profitable and for that to happen it must be competitive. And it must be sufficiently attractive to keep farmers farming, to maintain biodiversity and to support the wider rural economy.

So how do we ensure that EU agriculture is sustainable in all its dimensions? The fact of the matter is that there is a synergy between farming in an environmentally sustainable manner and improving competitiveness.

I mentioned earlier Ireland's plan for the development and expansion of the export-led agri-food sector out to 2020. This plan is led by industry and is based on the three key themes of smart, green growth:

- smart in the sense of embracing innovation, new technologies and improving cost competitiveness,
- green in the sense of clearly demonstrating and capitalising on Ireland's environmental credentials and
- growth in the sense of efficient and environmentally sustainable production that delivers growth

If the key to environmentally sustainable production is to produce more with less, this implies that the bulk of expansion must come from productivity. Ireland's ambition is to increase food production further with even lower inputs than are currently used, thus improving both our competitiveness and our sustainability.

This means using research and innovation to improve breeding performance, to increase yields, to achieve optimum feeding regimes, fertiliser use, stocking densities and age of slaughter and above all to minimise the carbon footprint. Agricultural research must strive to develop new production technologies and approaches that maximise the benefits of natural resources while protecting and restoring these resources for future use.

Due to the relative importance of the agriculture sector, Ireland is to the forefront in research that is aimed at reducing GHG emissions from the sector. Ireland is a founder member of the Global Research Alliance on Agricultural GHG Emissions whose objective is to pool the resources of likeminded countries to enable the agriculture sector to continue to reduce emissions.

Ireland is also a founding partner of the new United Nations FAO Partnership on Benchmarking and Monitoring the Environmental Performance of Livestock Supply Chains.

Over the next three years the partnership will develop:

- Sector specific guidelines for the assessment of GHG emissions along main livestock supply chains.
- A global database on greenhouse gas emissions associated with the production of feed crop materials.
- A set of methods for the assessment of wider environmental performance assessment of livestock supply chains.

Ireland continues to implement a research programme to improve production, environmental, and socio-economic parameters and will implement the results of this research to guarantee a supply of sustainable food into the future.

For research and innovation to be effective, we need active measures to transfer these new technologies to farmers. In Ireland we have found farm development discussion groups to be a very useful and practical format for this. These involve peer-to-peer learning among farmers, facilitated by a qualified adviser. Participants must undertake certain challenging tasks to assist them in improving performance in a number of areas at farm level. One of barriers to the spread of innovative ideas among family farmers is the relative isolation of each farmer. Farm development groups, that allow groups of farmers to learn together, help to break down this barrier.

And we need to communicate what we are doing in terms of sustainability clearly to customers and consumers.



In that regard, I might mention that the Irish Food Board and the Irish agricultural research and advisory body have worked together with the UK carbon trust to develop a carbon measurement which is now accredited to international PAS 2050 standards. Over 30,000 beef farmers who are members of the Quality Assurance Scheme are undergoing inspections to assess their carbon measurement and will receive advice on how to improve their rating. A bio-diversity measurement system is also being piloted. We have also developed an industry-wide initiative known as Origin green. This is an independently verified farm-to-fork sustainability programme involving both primary producers and processors.

To summarise then, we have the policy framework in place to achieve the twin goals of competitiveness and sustainability. We should use innovative techniques and emerging science to improve production potential and to increase the environmental sustainability of that production. We should make sure that we have systems in place to transfer these technologies to farmers and we must tell consumers what we are doing. These measures will, in turn, increase our profitability and competitiveness.

Our vision must be to undertake food production and distribution in a manner that is sustainable in all its dimensions – economically, socially and environmentally. This is directly linked with the production of important public goods such as an attractive landscape, clean air and water and a vibrant rural economy. And family farms are the bedrock for achieving these added benefits.

I believe that Irish, British and European agriculture should look to the future with optimism. We should be confident in our ability to deliver on the promise of sustainable intensification. We should reject the simplistic view of those who see a fundamental conflict between the environment and agricultural

production. The food and other needs of humanity require that we align our policies, our science and our agricultural practices to produce more food, while reducing greenhouse gas emissions, and sustainably managing our precious natural resources. We are fully capable of this; but we must pursue it with real determination and urgency.

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