



**Opening Statement by IFA President Joe Healy
to the Joint Oireachtas Committee on Climate Action**

**on the Third Report and Recommendations of the Citizens' Assembly entitled
"How the State can make Ireland a Leader in Tackling Climate Change" and
'the sectoral mitigation and adaptation plans in the 'Agricultural Sector'.**

12 December 2018

Chairperson and Committee Members, thank you for inviting IFA to address you today.

I am joined by IFA Environment Chairman Thomas Cooney, IFA Director General Damian McDonald and IFA Environment Executive Thomas Ryan.

Ireland has a carbon efficient model of food production.

The European Commission's science and knowledge service, the Joint Research Centre has confirmed that Ireland's dairy farmers have the lowest carbon footprint for milk in the EU and our beef farmers are amongst the five most carbon efficient countries.

This is important at a time of increasing demand for these types of proteins, produced sustainably by farmers in Ireland. It didn't just happen. It is underpinned by our grass-based model of food production.

Farmers are engaged in climate action.

Ireland is to the fore in targeting Common Agriculture Policy (CAP) funding to addressing the climate challenge. For example, 87% of the measures in the Rural Development Programme are focused on environmental protection and addressing the climate. These measures include

the Green Low-Carbon Agri-Environment Scheme (GLAS) and its predecessor the Rural Environmental Protection Scheme. These schemes promote the retention of soil carbon stocks through the encouragement of climate friendly agricultural practices such as minimum tillage, green-cover establishment and low-emission manure spreading techniques.

There are currently almost 50,000 farmers in the GLAS programme, but it is oversubscribed. I strongly encourage Government to re-open this scheme and allow maximum participation.

In addition, every one of the 130,000 farmers in receipt of a basic payment under CAP has to meet stringent EU requirements to keep their farms in Good Agricultural and Environmental Conditions, including compliance obligations regarding the management of soils, hedgerows, water courses and fertiliser management. Farmers are subject to onerous inspections to ensure adherence to these obligations. Many of these obligations have a positive environmental impact.

CAP also delivers for consumers, ensuring that the sector provides a secure supply of top-quality safe food, produced to the highest standards at affordable prices.

A fully funded CAP budget is critically important for Ireland, in respect of its farmers, economy, jobs and consumers, as well as contributing to environmental protection and combatting climate change.

IFA is calling on the Irish Government, led by An Taoiseach Leo Varadkar and Minister for Agriculture Michael Creed, to insist that the CAP Budget for Ireland is increased to cover the cost of inflation and to pay for any additional requirements placed on farmers, such as additional climate and environmental obligations.

Also, as part of Bord Bia's Origin Green programme, over 200,000 carbon assessments have been completed. Uniquely, Ireland is the only country in the world that measures, monitors and manages carbon from farm to fork at a national level.

In IFA, we are leading a voluntary resource efficiency programme called *Smart Farming* in conjunction with the EPA, which focuses on delivering on the double dividend of reducing climate impact while improving farm returns. Participants in this year's programme identified ways to reduce their climate impact by 9% and reduce costs on their farms by over €7,000.

Also, IFA, the Tipperary Energy Agency, Limerick Institute of Technology and co-operatives, jointly submitted an application to the Department of Communications, Climate Action and Environment's Climate Action Fund to create employment in rural Ireland, while reducing greenhouse gas emissions and primary energy use from fossil fuels in farming.

However, it's complex when it comes to climate and agriculture.

This was recognised by the Chair of the Climate Change Advisory Council (CCAC) Professor John Fitzgerald when he spoke to your Committee in September and said,

“When I was appointed as chairman of the council it was my understanding of the science that I was going to have to tell farmers they would have to get rid of their cows. It turns out, however, that the scientific evidence on this issue is more complicated....agriculture needs a more nuanced solution.”

Professor Fitzgerald's statement was reflecting the settled view regarding agriculture and climate. The agreed international position in the Paris Agreement¹ and the European Union² is that sustainable food production must not be compromised when addressing the climate challenge. This is important in the context of the delivery of the UN's 2030 Sustainable Development Goals (SDG) and in particular the achievement of SDG number 2, no hunger. The recent UN IPCC report further emphasises the complexity of this matter by referring to the need

¹ Article 2 in the UN Paris Agreement states that food production must not be threatened when addressing the climate challenge.

² Paragraph 2.14 in the European Union's Heads of Government climate and energy agreement states that when deciding on climate plans, regard must be had for the multiple objectives of the agriculture sector as food, fuel and energy producers, as well as environmental enhancement and the lower mitigation potential of the agriculture sector.

to maximise efficiency on lands, which are currently in agricultural use. This is important, to avoid increased global deforestation as a result of having to bring more land into agricultural use, to meet increasing food demand.

This balance will not be easily delivered, given that by 2050, the planet will need to produce 70%³ more food, particularly the high-quality proteins from dairy and beef produced by Irish farmers. Since 1990 we have increased agricultural output by over 40%, yet greenhouse gas emissions have not increased over this period. We have succeeded in increasing production significantly, without increasing emissions. However, since 2015, emissions have increased, this is largely due to expansion on the dairy side following the removal of milk quotas, some 31 years after they were introduced in 1984. It must be recognised that the recent developments in dairying is the result of substantial pent-up demand following 31 years of quotas. While the negative aspects of this has been focused on in terms of emissions, the positive impact for farmers, their families, agri-businesses and the rural economy in general have been significant.

On beef, the narrative that our beef farmers should just give up and plant trees is unacceptable. Just because our processors and retailers are ripping off our beef farmers, does not mean we should walk away from this important sector. This value of the Irish beef sector is estimated to be almost €2.9bn.

The reality is that environmental sustainability must be looked at in the context of economic and social sustainability, as recognised in the ancillary recommendations of the Citizens' Assembly.

A key challenge facing this Committee is to ensure that future recommendations made by the Committee do no unintentionally increase international greenhouse gas emissions through carbon leakage, by displacing sustainably produced food in Ireland, from unsustainable sources, such as Mercosur beef produced in the Amazon. Because if agri-food production is limited in Ireland, it will happen elsewhere and contribute to increased global emissions.

³ World Resources Institute (2013) *Creating a Sustainable Food Future*

This is a time to support and not limit Ireland's carbon efficient dairy and beef farming.

Regarding the Citizens' Assembly, the agricultural nuances, referred to by Professor Fitzgerald were not fully explored, as Ms Justice Mary Laffoy told the Committee in September:

“the recommendations of the Citizens' Assembly reflect the information it was given...”

The reality is that the Citizens' Assembly deliberated on this complex agri-climate issue for no more than four days, where the members were brought from a standing start, with partial information and asked to make policy recommendations on what is accepted by all parties as an exceptionally complex matter.

For example, Professor Emeritus Alan Matthews at the Citizens' Assembly proposed an unchallenged additional taxation on agriculture, as a means of reducing emissions which resulted in a revised draft of the Ballot Paper being presented.⁴ There was no equal balance or counter argument to the propositions being put forward.

Professor Matthews' presentation to the Citizens' Assembly failed to acknowledge the existing annual carbon tax take of €30m from the agriculture sector, its impact on the competitiveness of the sector and the fact that overall national greenhouse gas emissions have actually increased since that current carbon tax was introduced.

The failure of the Citizens' Assembly to facilitate the presentation of another view on carbon taxation, as put forward by agencies such as NESC, which advises the Taoiseach on strategic policy issues, meant that Professor Matthew's proposals were not properly tested.

⁴ The Citizens' Assembly (2018) *Third Report and Recommendations of the Citizens' Assembly – How the State can make Ireland a leader in tackling climate change*, article 115 page 40.

NESC argues that any emphasis on carbon pricing as the central response to global warming is subject to particular qualifications,⁵ including the need for internationally co-ordinated action on climate pricing. This was not discussed in any detailed way during the Citizens' Assembly.

Each Committee member here is being asked to consider the recommendations of the Citizens' Assembly and I note the reflections of the Chair of the Citizens' Assembly Ms. Justice Laffoy when she said to the Committee last September:

“In truth, if we had time we could have had more information on the agricultural sphere, and, in particular, on how various parts of the sector are and would be affected.”

The reality is that there was nowhere near enough time provided for a balanced view on matters. This is further acknowledged in the ancillary recommendations in relation to agriculture of the Citizens' Assembly that:

“Cognisance must be taken of the impact which the sector has on the economy, particularly the rural economy.”

Irish farmers must not become the *fall guys* for decades of climate inaction in this country. Since the first national climate road map out to 2030 was published in 2009⁶, the key actions that would deliver the greatest climate impact were known, but not acted upon adequately.

The chart below (figure 1) from this climate road map presents the extent of climate abatement from each measure and the associated savings or costs.

⁵ National Economic and Social Council (2012) *Reframing the Climate Change Policy Challenge Background Paper No.1.*

⁶ Sustainable Energy Ireland (2009) *Ireland's Low-Carbon Opportunity. An analysis of the costs and benefits of reducing greenhouse gas emissions.*

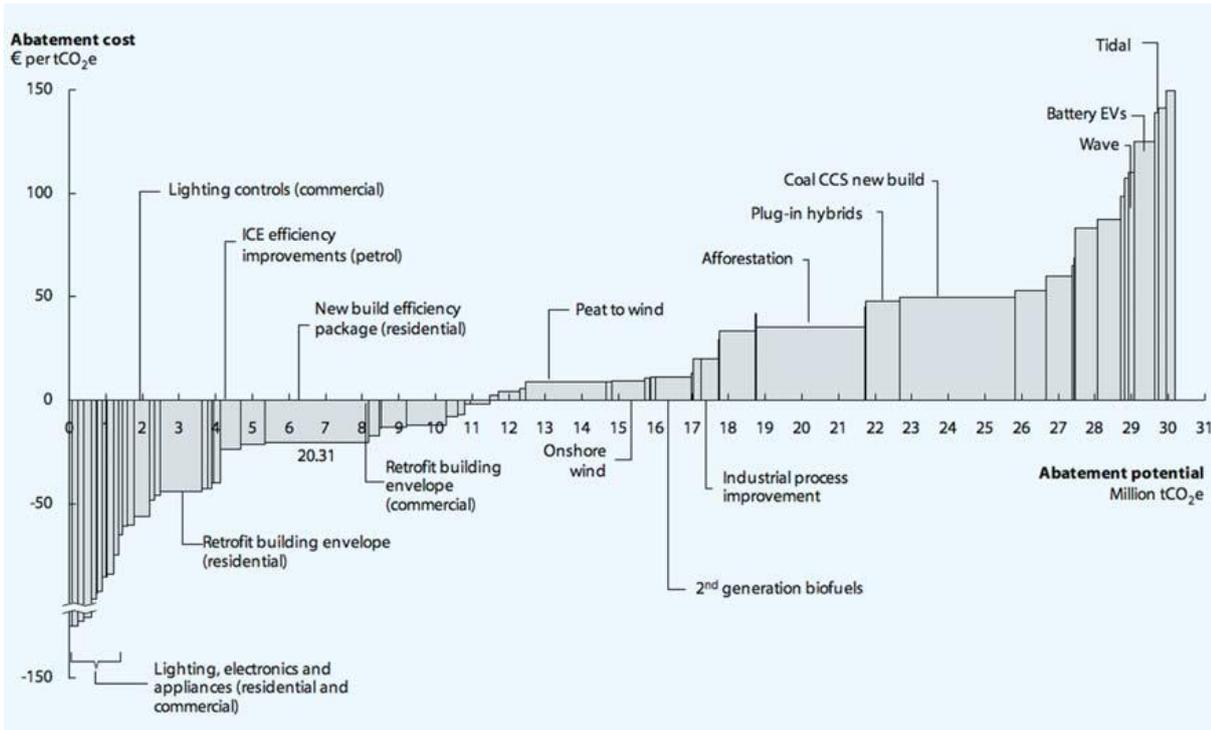


Figure 1: Ireland 2030 GHG abatement cost curve

So, how can farming continue to play its climate part?

More carbon taxes are not the answer – they are not even part of the answer.

Almost €3bn has been collected in carbon taxes in Ireland since 2010. Despite this, national climate emissions have increased. Therefore, the existing carbon tax has failed to make an environmental difference.

Indeed, the research work conducted by the ESRI indicates that increasing the annual carbon tax take to over €1bn (to €40/t), may reduce emissions by just 4.7%.

While the Citizens' Assembly suggested ring-fencing carbon taxes, I note the significant reluctance of Government Departments and agencies, such as the ESRI, when they addressed this Committee on this proposed hypothecation.

Regardless, IFA will continue to oppose the imposition of further carbon taxes on farming.

Environmental taxes such as the plastic bag levy worked because there were alternatives. People could change their behaviour. There are currently no commercially available alternatives to fossil fuelled tractors to assist farmers complete their daily work load.

Therefore, further carbon taxes on farming represent an additional cost on production, with little or no environmental benefits.

IFA supports the view of the Joint Oireachtas Committee on Agriculture, Food and the Marine on carbon taxation, that *“In place of a carbon tax (that penalises farmers for failing to meet emissions targets), the application of additional incentives for farmers who sequester carbon may be a more effective approach in delivering change.”*⁷

Farming can and will do more.

In June this year, Teagasc⁸ published 27 measures, as part of *An Analysis of the Abatement Potential of Greenhouse Gas Emissions in Irish Agriculture* that the sector can implement to reduce climate emissions by almost 9 megatonnes. The delivery of this requires inter-departmental and inter-state agency co-operation.

This is a solid piece of scientific research that provides a climate path for the sector.

I have written to An Taoiseach Leo Varadkar and requested him to co-ordinate a whole of Government delivery of this climate pathway for the sector. IFA would appreciate the support of this Committee for this position.

⁷ Houses of the Oireachtas (2018) *Climate Change and Sustainability in the Agriculture and Food Sector*. Report of the Joint Committee on Agriculture, Food and the Marine.

⁸ Teagasc (2018) *An Analysis of Abatement Potential of Greenhouse Gas Emissions in Irish Agriculture 2021 -2030*.

IFA is seeking a fairer share of the food value chain, so we can continue to reinvest in the climate proofing of our farm businesses. After all, it's hard for a farmer to be *green* when they are in the *red*. In Ireland, this requires Government to appoint an Independent Retail Regulator and fully support EU Commissioner for Agriculture Phil Hogan's initiative to eliminate Unfair Trading Practices (UTPs) in the food supply chain.

IFA is also calling on Government to back French proposals that aim to eliminate food imports from unsustainable sources, such as Mercosur beef produced in the Amazon.

We must also be conscious of changes to carbon accounting methodology and seek to get a fair climate picture of agriculture. In this regard, our Government must seek to include carbon sinks from Ireland's forestry, permanent pastures and hedgerows, whilst the short-lived behaviour of methane must also be re-examined.

Greater support for community and farm-scale renewables, including anaerobic digestion, must be put in place. This requires Government to introduce a guaranteed feed-in tariff model, increased grid access, and the development of regional biomass trade and logistics centres.

IFA will continue to work with the Environmental Protection Agency to maximise the cost savings and climate improvements in the *Smart Farming* programme and explore additional initiatives to improve the sustainability of the sector.

Conclusion

I am conscious and concerned that this Committee might simply take the easy option and double down on the Citizens' Assembly's recommendations.

As you continue your deliberations on their work, I think it is worthwhile asking as to whether any of the following actions would have enriched the deliberative process and indeed the recommendations of the Citizens' Assembly:

- Should the Department of Agriculture and other key Government Departments have been invited to address the Citizens' Assembly?
- Should some of the 128 NGOs, advocacy groups including IFA and others who made submissions to the Citizens' Assembly have been permitted to present, participate or articulate their points further? I am sure the 14 days of deliberations by this Committee so far and the knowledge of invitees has greatly enhanced your work.
- Why did only 75 of the 99 members of the Citizens' Assembly vote on the day?
- Regarding the key question for agriculture proposed to the Citizens' Assembly members:

“There should be a tax on green house gas emissions from agriculture. There should be rewards for the farmer for land management that sequesters carbon. Any resulting revenue should be reinvested to support climate friendly agricultural practices.”

This effectively represents three unique statements in one ballot and ignores the complexity of the agri-climate challenge. It is questionable as to whether this question would withstand challenge, as it is not written in neutral language and contains an explicit judgement opinion in the first sentence that assumes that the members of the Citizens' Assembly wanted to introduce a further climate tax on agriculture. Therefore the 65 members of the Citizens' Assembly who supported this question did not vote for

a further carbon tax on farming, as this was already assumed in the question. They simply voted for that the revenue raised should be recycled in the sector.

- Were the nuances of agriculture, as referred to by Professor John Fitzgerald, and its multiple roles as food, fuel and energy producers, with low climate mitigation potential referred to in EU and UN climate agreements considered along-side the need for climate action. I do not believe they were. The recent UN IPCC report re-emphasised these challenges, in the context of increasing global food demand.

I ask the members of this Committee to consider carefully the recommendations that you include in your report and that you do not simply default to the recommendations from the Citizens' Assembly. This is particularly important in light of Ms Justice Mary Laffoy's comments to you in September:

"In truth, if we had time we could have had more information on the agricultural sphere, and, in particular, on how various parts of the sector are and would be affected."

This Committee has taken that time and afforded a range of stakeholders, including IFA, the opportunity to outline the complexity of addressing the climate challenge to ensure that Ireland's carbon efficient model of food production is not compromised.

As president of IFA, I am proud to stand up for the agri-food sector. It is Ireland's largest indigenous productive sector, exporting food, drink and forest products worth over €13.5bn in 2017 and providing employment to over 300,000 people directly and indirectly.

It has been a key driver in Ireland's economic recovery and is the backbone of economic activity across the rural economy. From a carbon efficiency perspective, we are best in the class.

We seek a more complete nuanced set of solutions for agriculture, which safeguard Ireland's climate efficient model of food production, while providing innovative opportunities for farm families and rural Ireland to climate proof their futures.

We recognise there are challenges for all of us and agriculture is up for the challenge. All we ask is that your climate proposals are based on logic and take full account of the potential economic and social impact on farm families and the wider rural economy.

Thank you.