



**IFA submission
to a National Policy Statement for the Bioeconomy**

15th September 2017

Introduction

Farming and the agri-food sector is Ireland's largest indigenous productive sector, exporting food and drink worth over €11 billion in 2016 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.

Farmers produce high quality safe food, renewable energy and other public goods, ensuring high environmental protection, landscape management and animal health and welfare standards. There is now recognition for the multiple roles of farmers, as food, fuel and energy producers, in addition to meeting environmental requirements and other public goods.

Sustainable management in agriculture, forestry and aquaculture is a basic prerequisite for producing the raw materials for the bioeconomy. The transition to a bio-based economy can only be successful if the primary food sector is supported to increase production and efficiency against the backdrop of growing environmental challenges.

Low farm income in many sectors continues to provide a challenge to the sustainability of farming enterprises. A sustainable and profitable farming sector is required to underpin the investment and innovation required to successfully deliver a strategy for the bio-economy.

IFA welcomes the opportunity to input into the development of a National Policy Statement on the Bioeconomy. As a first step, a number of guiding principles should be agreed to underpin the development of the bioeconomy in Ireland. IFA proposes consideration of the following:

- Income generating potential from natural resources must be maximised.
- The development of the bioeconomy must be complementary to, and not in competition with, high quality food production.
- Clear objectives prioritising the bioeconomy strategy's contribution to jobs and economic activity in rural areas must be set out.
- The available biomass streams must be used with higher value added potential and given preference within the bioeconomy framework.
- Resource efficiency recycling should be optimised, where possible.

In addition, IFA has outlined a number of proposals on specific measures that should be taken in the delivery of a successful bioeconomy strategy. These are set out below.

1. Inter-agency working group on the bioeconomy

The bioeconomy applies by definition at cross-sector, cross-policy and cross-border level. Such a complex concept demands a long-term vision, supported by the entire Irish government. An inter-agency working group should be established with the aim of supporting the exchange of information and co-ordinating policy development between various Departments with regard to the bioeconomy.

The structure operated by the IGEES (Irish Government Economic and Evaluation Service), which is an integrated cross-Government service, the purpose of which is to enhance the role of economics and value for money analysis in public policy making; it provides a potential model on which a bio-economy working group could be structured.

The working group would have responsibility for developing a comprehensive bioeconomy strategy, and to provide information and guidance as well as a central contact point for a public awareness campaign. The policy must address the competing claims to land use for the production of food and feed, as well as

production for renewable raw material. The paths of use must give priority to food security with the higher value adding potential given preference in the remainder of the work structuring the bioeconomy's framework conditions.

2. Establishment of measurable targets

The National Bioeconomy Policy Statement must set out clear and measurable targets (in the short and long term) related to income generation, employment and regional distribution of bio-based businesses. Clearly defined objectives and guiding principles are essential to enable those working in the bioeconomy sectors to achieve goals and allow progress to be assessed.

These guiding principles should include:

- (i) Income generating potential from natural resources must be maximised.
- (ii) The development of the bioeconomy must be complementary to, and not in competition with, high quality food production.
- (iii) Clear objectives prioritising the bioeconomy strategy's contribution to jobs and economic activity in rural areas must be set out.
- (iv) The available biomass streams must be used with higher value added potential and given preference within the bioeconomy framework.
- (v) Resource efficiency recycling should be optimised, where possible.

3. Public awareness campaign

A targeted information campaign to promote public awareness and understanding of the potential of the bioeconomy should be developed. The goal should be that the general public and relevant stakeholders are informed about bioenergy and biobased business, its benefits, challenges and the opportunities that it presents.

Given the complexity of the bioeconomy a public awareness campaign is key to developing a knowledge based dialogue between stakeholders and consumers to strengthen understanding of the potential of biobased products in Ireland. The campaign should also be used to provide an opportunity to establish new networks and connections, both regionally and nationally, between organisations, industries and the supply chain to assist in the development of the bioeconomy.

IFA would propose holding a national conference targeted at farmers to discuss the potential of the bioeconomy, the opportunities and the supports that are available to interested stakeholders. It would also provide an opportunity to showcase existing agri-businesses that are forging ahead in the bioeconomy in Ireland.

4. Demonstration projects

Although knowledge and technical potential of the bioeconomy has increased in recent years, significant gaps exist. Valorisation and demonstration projects should be supported to make the transition from research to production possible. These demonstration projects or models of best practice will create confidence in the market and encourage further investment.

On farm demonstration projects into crops and new farming systems to optimise yield of biomass must be supported. The funding programme must support the transition into practice by funding activities in plant production, agricultural technology and logistical networks.

The demonstration projects should also support on farm or community level development of business model innovations that link production cycles and by products from agriculture, forestry and aquaculture

sectors to the most appropriate bioenergy and biobased products markets. This may require the establishment of collaboration networks between producers and relevant stakeholders.

5. Sustainable biomass production

Sustainable management of agriculture, forests and aquaculture is a basic prerequisite for providing most of the raw materials for the bioeconomy. The IFA led resource efficiency initiative, Smart Farming, focuses on improving farm returns while enhancing the rural environment. By developing resource management and operating resources efficiently, agricultural production can be increased whilst also benefiting the environment. One of the eight focus themes of Smart Farming is efficient energy management, the initiative's potential cost savings could be expanded by investigating potential use of renewable energy technologies on the farm, this would also mitigate climate.

To satisfy the growing demand for biomass, it is critical that a well-funded Rural Development programme is agreed as part of the re-shaped CAP Post-2020. The Rural Development Plan (RDP) must contain measures that improve competitiveness at farm level, support innovation and diversification, and extend knowledge transfer, through investment supports, including direct grant aid and use of financial instruments.

The policy must address the growing demand for biomass and the projected shortfall in biomass resources, by introducing new of measures or amending existing measures to increase biomass production, these include:

- (i) The re-introduction of an improved BioEnergy Scheme (BES) with additional energy crops supported under the scheme.
- (ii) Increase the premium rate paid to farmers under the Forest for Fibre scheme and remove the replanting obligation. The replanting obligation attached to the scheme is a major barrier to farmers availing of the scheme.
- (iii) Remove restrictions on planting productive marginal land to address the falling afforestation programme. COFORD Land Availability Working Group identified 180,000 hectares of land technically suitable for forestry that is currently restricted from the Afforestation programme.
- (iv) The introduction of appropriate funding to support forest producer groups to establish regional and national networks, creating the necessary economies of scale to optimise efficiency in the supply chain.

6. Stimulate market demand

The bioeconomy policy must set out clear targets and measures to stimulate market demand in the bioeconomy, if farmers are to invest in the necessary infrastructure to develop sustainable supply chains. The development of the bioenergy sector has been thwarted by the lack of a Bioenergy Plan and adequate supports to stimulate market development. It is essential that the Government introduce appropriate supports through the following measures:

- (i) A properly targeted Renewable Heat Incentive (RHI) scheme can play an important role in reducing our dependency on imported fuels and moving Ireland forward towards achieving our EU 2020 targets. To develop a successful bioenergy sector the RHI must work for farmers and community based renewable heat projects. The RHI must support farmers and forest owners to integrate renewable energy production into their farming activities, which will have a direct benefit for farm incomes and the rural economy. A RHI scheme that is embedded in the local economy optimises the economic benefits by creating a new revenue stream and valuable new job and business opportunities in rural areas, where job opportunities are limited.
- (ii) The Government must take the lead in driving the bioeconomy market development through the Green Procurement Programme. For example, if the 25% of the public sector buildings

were converted to biomass it could reduce the public sector heating bill by approximately €100 million per annum. The conversions of public buildings should be targeted regionally to create a green town or region, this would create viable scale, increase confidence in the bioenergy sector and support the establishment of robust biomass supply chains. This model has been very successful in other European countries to develop the bioeconomy.

7. Training and development programmes

Ireland needs to build up and expand the expertise necessary for the bioeconomy, a network of specialised personnel including farmers need to be educated. Existing training programmes need to be adapted and new programmes introduced to inform farmers about new innovations to increase production, alternative crops or technologies to increase efficiencies on farms. Funding support measures should be introduced to support motivated students and farmers to develop the necessary skills to take advantage of the new opportunities offered by the bioeconomy.

8. Biomass trade and logistics centres

The development of regional biomass trade and logistic centres (BTLC) that optimise the sustainable mobilisation of Ireland's biomass resources and improve the economic effectiveness of production, must be a key priority in the policy statement.

The establishment of robust biomass supply chains is one of the biggest challenges to provide the required network spread of centres where potential customers can be guaranteed a quality supply over the long-term. Farmers must be supported to optimise logistics and trading to enable different biomass fuels (firewood, chips, straw, energy crops etc.) to be collectively marketed at a guaranteed quality and price.

A funding programme must be introduced to create end user confidence that a sustainable long-term supply of biobased products is available; therefore, the programme must support the following:

- (i) The development and coordination of farmer producer groups to facilitate collective supply of biomass.
- (ii) The purchase and construction of essential infrastructure such as specialised harvesting, processing and transport machinery, storage and drying units, fuel quality measurement equipment and weighbridge and other infrastructure.