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## **Markets, productivism and the implications for Irish rural sustainable development**

Mary O'Shaughnessy and Colin Sage

### **Introduction**

In 2008 world cereal prices reached their highest level in real terms since the early 1970s and this triggered a global debate about prospects for feeding the world to 2050 (Sage, 2015). Predictably, the case for more science and technology has remained the favoured solution of governments and policy makers nearly everywhere. Amongst the most enthusiastic endorsers of these ideas are those highly developed countries with established agricultural sectors: in Europe, North America and Oceania. Their farm economies are, on the whole, dominated by high input, high output specialised production on large units that employ a small proportion of the working population. These farm enterprises are largely tied to agri-food businesses highly tuned to the global market place for the disposal of commodity surpluses and even more so, value-added processed foods. The circumstances of 2008 consequently offered new opportunities for these countries, not simply to produce more for the global market but to perform a moral duty to do so in pursuit of 'feeding the world'.

Yet the consequences of the *productivist* agriculture model are becoming more widely recognised. The 'race to the bottom' on prices has had huge repercussions for those farms located in more marginal environments in the highly developed countries that simply cannot compete with others occupying better land, operating on a larger scale and more thoroughly capitalised. The rule of the market has consequently driven a restructuring of agricultural holdings and, while attenuated somewhat in Europe by support payments (see below), has nevertheless led to a decline in the number of farm families and a hollowing out of rural societies. In other words the model of 'foot to the floor' productivism does not work well for all parts of the agricultural sector and can deepen income inequalities resulting in further marginalisation unless there are dedicated efforts to ameliorate these effects. Productivism consequently scores poorly on inclusion and economic sustainability.

A second and growing concern is that accumulating scientific evidence is demonstrating that productivism is having a significant bearing on global and regional environments. Whether through emissions of greenhouse gases, the drawing down of freshwater stocks or impacts upon biological diversity, food production and supply have a host of consequences for resources, ecological services and waste sinks worldwide. Moreover it is becoming apparent that agriculture is increasingly vulnerable to processes of environmental change and the depletion of resources. Incidences of

drought in vital global 'breadbasket' regions of North America, Australia, Russia and China in recent years have highlighted dependence on a hydrological cycle which may be changing as a consequence of global warming. Clearly it can be argued that productivism does not enhance the resilience of agri-food systems and scores poorly by the criteria of environmental sustainability.

A third consideration, though not one that we develop in this chapter here, is ultimately to judge the performance of productivism by the yardstick of whether it feeds the world well. By this measure it cannot be regarded as a success when there are an estimated 850 million people hungry and malnourished, and around two billion regarded as over-nourished (and obese or overweight), and where health services around the world are dealing with rising levels of non-communicable disease. A system that has achieved the massification of food by focusing upon throughput and output has not resolved the problems of global food security but, more importantly, has created an indelible legacy of diet-related ill-health. Here we refer to the process of nutrition transition where diets become dominated by processed foods high in saturated fats, sugar and salt as well as high levels of meat consumption that contribute to rising incidence of cardio-vascular disease. In this regard and judged by the criteria of public health and nutrition policy, productivism has a poor record in social sustainability.

One country which has sought to take advantage of new opportunities in global food markets is Ireland. Here, an agricultural sector that had long served as much for providing a reservoir for a reserve army of labour as for its production of food, has been transformed in recent years. During the past half century Irish agriculture has gone from being a system dominated by traditional mixed farms, integrated with local and regional food markets, into one where specialist farms with higher levels of output supply expanding urban populations - and not simply within Ireland (Crowley and Meredith, 2015). Yet while largely overlooked during the years of the Celtic Tiger 'boom' (1992-2007), agri-food has undergone a renaissance since 2008, especially in the dairy sector. With the introduction of an industry-led strategy in 2010 that was approved by government, Food Harvest 2020 has established a roadmap for growth with ambitious targets for output. That it has justified its ambitions as a contribution to 'feeding the world' reveals a great deal about the way such moral claims are used to conceal or downplay some of the social and environmental consequences such as those noted above.

In this chapter we critically evaluate this agricultural/ agri-food strategy (which is to be continued by the recently announced successor programme, Food Wise 2025). Food Harvest 2020 set out clear production targets for meat (beef, pork, sheep and poultry), seafood, cereals and other sectors. However, dairy has been the main flagship with the strategy setting a goal of 7.5 billion litres of milk output in 2020, an increase of 50 percent over 2010. Here we seek to interrogate how such productivist aspirations sit alongside the apparent pursuit of 'sustainable rural development' through CAP Pillar 2 and the national Rural Development Programme (RDP). At a time when academic observers have been highlighting the European policy shift from productivist to multifunctional agriculture, our analysis of the Irish situation points to a deepening

engagement with productivism. This process, we argue, reveals a growing divergence between intensively managed farms located in the best agricultural regions, and those more economically marginal operations which are struggling to survive in peripheral yet ecologically important landscapes. Indeed, as we will demonstrate, these divergent pathways are raising profound ecological and social concerns in both contexts.

In relation to the theme of this volume, this chapter is less preoccupied with making a case for transdisciplinary collaboration – though the authors’ primary affiliations to sociology and geography tick that box - than with highlighting a related matter of thinking holistically about policy for sustainability. For the discussion that follows here reveals how the imperative of economic growth not only serves to trump all other considerations but how it is used to create an effective - with apologies for this term – *silo-isation* of contingent policy considerations. The challenge of policy integration is not simply a case of ensuring better policy coherence across horizontal domains (agriculture, energy, transport, environment, and so on) at national level, but also to work for stronger vertical integration across different spatial scales. As we shall see, both dimensions are found wanting in an Irish context, where agri-food sector targets are placed front and centre and contingent concerns (such as climate change responsibilities) are placed into entirely disconnected policy silos. This raises questions not simply about a lack of horizontal integration, but questions of governance when greenhouse gas emissions targets are imposed by membership obligations of the European Union.

This chapter proceeds as follows. First, it briefly traces the changes in Irish farming arising from Ireland’s membership of the EU which has been critical in providing financial supports for a majority of units unable to survive from returns from agriculture alone. The European model of a multi-functional agriculture delivering public goods as well as food is one that appears increasingly at variance with the Irish model of productivism. As the chapter then goes on to explain, there has been something of a resistance to diversification by Irish farmers, with the majority preferring to pursue off-farm employment rather than engage in farm level value-added activities. Nevertheless, the LEADER programme has made a significant contribution to fostering small enterprise development in rural areas across the country, although at time of writing it remains in a somewhat precarious state given budgetary pressures and a changing local government landscape. Finally, we examine the goals of Food Harvest 2020 (and, in passing, its successor) and question how this can be squared with the rationale for a multifunctional agriculture providing a secure future for farm families across the country as well as delivering on a range of environmental obligations. As we will show, there is an urgent need for Irish agricultural and agri-food policies to move quickly to develop a strategy that can plan a transition road map from productivism to sustainability that protects and enhances the stock of public goods.

## **The EU and the transformation of Irish Agriculture**

When Ireland joined the European Union<sup>1</sup> in 1973 it readily adopted the EU Common Agricultural Policy (CAP). This resulted in a process of modernisation, intensification and restructuring within the Irish agricultural sector, characterised by an initial improvement in farm incomes, a rise in the value of land, specialisation, and commoditisation. It also contributed to spatial and sectoral inequalities within the Irish agricultural sector resulting in exclusion, marginalisation and sectoral polarisation attributed, in part, to the pursuit of a productivist model of agriculture (Lafferty et. al., 1999; O’ Connor et. al., 2006). Therefore, although initially viewed as a solution to the problems of Europe’s rural areas, the limitations of the CAP<sup>2</sup> soon became obvious and led to a series of reforms, initiated in the mid 1980s and which are ongoing (CEC, 1988; O’ Hara and Commins, 1991; Ploeg et. al., 2002; Curtin and Varley; 1995; Ingersent and Rayner, 1999; O’ Connor et. al., 2006; Dax, 2015). In Ireland however, despite the emergence of a *new rural development agenda* in the interim, the most recent analysis of Irish agricultural re-structuring points to the continuation of this process of polarisation or what has been termed a *bifurcated* system.

Crowley and Meredith (2015, p.189) tell us that the continued “adherence to a productivist model” in the Irish farm sector has continued a trend - noted as far back as the late 1990s – of “a contracting minority of commercial farms and an expanding majority of farms increasingly dependent for survival on policy interventions and/or off-farm income”. This productivist agenda has resulted in 80 percent of all Irish farms being classified as specialist farms with more than 50 percent of all Irish farmers said to engage *solely* in beef cattle production alone. Of note is the rise in specialist beef production – mostly export orientated - as the dominant farming system in the State, accounting for 56 percent (139, 860) of all Irish farms in 2010; and a farm sector – 97 percent family-run - increasingly “comprised of low income and economically unviable farms by 2010” (Crowley and Meredith, 2015, pp. 177- 179).

There are also notable income variations along spatial and sectoral lines. Farms focusing on cattle, other cows and sheep - generally concentrated in the more peripheral rural regions (west, south-west and border) - return a lower level of household income compared with dairy and tillage farm household concentrated in the east, south, south-east, and midlands. In 2010 just over 25 percent of all Irish farms were classified as *economically viable*, a “further 38 percent were deemed sustainable<sup>3</sup> with the remaining 36 percent categorised as economically vulnerable” (Hennessy et. al., 2012; Crowley and Meredith, 2015, p.182). Previously, such unviable farm cohorts were perceived as “surplus to the requirements of an efficient food industry - available to be diverted into other, non-competing farm activities”, i.e. alternative farm development strategies and/or the achievement of rural development objectives through agriculture (O’ Connor

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<sup>1</sup> Then known as the EEC: the European Economic Community.

<sup>2</sup> Including: costs associated with the storage of surplus food production; concerns about food safety and animal welfare; environmental issues and the external trading environment.

<sup>3</sup> Household income is supplemented by income derived through off-farm employment by the farmer and/or spouse.

et. al., 2006, p.145; Crowley and Meredith, 2015, p.187).<sup>4</sup> CAP Pillar 2, arising out of the Agenda 2000 set of CAP reforms, provided support to this cohort of farmers and reflected the emergence of a new rural development agenda in which multi-functional agriculture, including agri-environmental farming and on-farm diversification, was viewed as an “integral component of the European model of agricultural production” (Feehan and O’ Connor, 2009, p.126).<sup>5</sup>

Rural Development Programmes (RDPs) emerged as the second pillar of CAP under the Agenda 2000 reform package. Informed by the principles of the Cork Declaration<sup>6</sup>, Pillar 2 was viewed as having a “complementary function to Pillar 1 (market support)” (Dax, 2015, p.41). Central to this new rural development agenda was the notion of multi-functionality defined as the existence of multiple commodity and non-commodity outputs jointly produced by agriculture. Such outputs can include marketed goods and services, landscape and amenity resources, food security and rural viability (O’Connor et. al., 2006). By early 2000, approximately 15 percent of the total CAP budget was allocated to Pillar 2 (Dax, 2015). At a national level the RDP has played a significant role in resourcing rural sustainable development; supporting bio-diversity in marginal agricultural areas through agri-environmental schemes and promoting rural innovation (including diversification) in the agri-food sector through programmes such as LEADER. Ultimately this vision of a *living countryside* was one where farming would play a vital role in producing food and fibre, but was also broadened and diversified to provide other goods and services and complemented by a range of off-farm enterprises and services that enrich the quality of life in rural areas (Kinsella et. al., 2000).

### **Farm diversification and rural sustainable development in Ireland**

Irish farmers have typically demonstrated a resistance to multifunctionality and diversification in the broader sense, preferring to engage in what has been termed *re-grounding* through the acquisition of off-farm employment<sup>7</sup> or *broadening* activities through participation in agri-environmental schemes and/or afforestation (O’ Connor et. al., 2006).<sup>8</sup> In 2001, around five percent of Irish farm households were estimated to have been engaged in diversification activities (mainly forestry and agri-tourism) and by 2011 only four percent of all Irish farms were said to have some form of on-farm

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<sup>4</sup> Feehan and O’ Connor (2009, p.134) refer to the “competitive dualism within Irish agriculture characterised by the co-existence of a sector with sufficient capacity to withstand and adapt to radically changing market conditions, alongside a less competitive sector which has limited response capacity but which is potentially viable if its supply of public goods is remunerated”.

<sup>5</sup> In this context rural landscape, biodiversity and countryside access were viewed as part of the process and products of agricultural production.

<sup>6</sup> O’Connor et. al., (2006) describe the *Cork Declaration*, published in 1996, as an articulation of the European Commission’s commitment to multi-functionality and the notion of a *Living Countryside* (EC 1996).

<sup>7</sup> According to the National Farm Survey (NFS), the number of farm households where the spouse and/or operator is working off-farm had increased from 37 percent in 1995 to 58 percent in 2007 (O’Brien and Hennessy, 2008).

<sup>8</sup> *Re-grounding* is explained as the mobilisation and use of resources by the farm enterprise. Pluriactivity and farming economically are identified as two specific forms of re-grounding (Kinsella et. al., 2000; O’Connor et. al., 2006, p.16).

diversification (Meredith, 2011; Meredith et. al., 2015). This reluctance to diversify was further confirmed in a subsequent study of farmer attitudes to diversification.<sup>9</sup> The research demonstrated that the interest and desire to increase scale and output in farming was predominantly within the dairying and tillage sectors in line with, and reflecting the influence of, the current strategic objectives for the Irish agri-food sector. Furthermore, when asked about their preferred development strategy, 58 percent of farmer respondents expressed a preference for combining farm work with an off-farm job<sup>10</sup> while only 2 percent expressed a predilection for setting up a diversified farm-based business.

However, of the recent diversification that has taken place, some of this has occurred within the tourism and speciality food sectors including hospitality (e.g. farmhouse bed and breakfast), artisan food production, the development of short food supply chains (e.g. farm shops and farmers' markets) and so on (Tovey, 2006, 2008; Sage, 2003, 2007). Moroney et. al., (2013) suggest that the rise in alternative food networks is evidenced by the growth in the number of farmers' markets, community gardens, farm allotment rental, farm shops, small-scale producers groups, online specialty food sales, as well as consumer research studies that demonstrate strong support and demand for local and '*real*' food (Bord Bia, 2007; Moroney et. al., 2013). Many of these initiatives, in the first instance, are designed to improve family farm income but also contribute to a broader objective of rural sustainable development; hence their support under CAP Pillar 2 and the Rural Development Programme, especially the LEADER initiative.

The EU LEADER programme emerged in 1991. Described as 'the primary EU model for fostering diversification and innovation in the rural economy', a key objective of the LEADER programme was to improve the development potential of rural areas by drawing on local initiative and skills; make the products and services of rural areas more competitive; add value to local production and improve the quality of life in rural areas (Dax, 2015; Macken-Walsh, 2009; OECD, 2006; Moseley, 2003). In Ireland, although initially confined to 'a few areas' and with a limited budget (€44.5million), by 2013 total funding had increased almost tenfold since its inception; with an estimated €425million budget allocated in the most recent programme (2007-2013) (O'Connor, et. al., 2006: 148; Macken-Walsh, 2009). LEADER funding to date has been administered by not for profit, local development companies whose role is to provide a variety of hard and soft supports including funding of community based and other enterprise (including agri-diversification) initiatives that contribute to rural sustainable development. To date four LEADER programmes have been implemented in Ireland over the period 1991-2013<sup>11</sup>.

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<sup>9</sup> From a nationwide sample of 472 farmers (Meredith et. al., 2015).

<sup>10</sup> Although the percentage of farm households with an off-farm job declined from 58 percent in 2007 to 51 percent in 2010 (reflecting the national downturn in the Irish economy at this time) (National Farm Survey, 2011).

<sup>11</sup> Programming periods include: (1992-1994); (1994-1999); (2000-2006); (2007-2013).

Studies of the LEADER initiative have highlighted the contribution of the programme to improving environmental awareness in rural communities and the important role it plays in promoting rural sustainable development (Barke and Newton, 1997; Storey, 1999; High and Nemes, 2007; Wilson, 2001; Vorley, 2002). In Ireland, LEADER has been recognised for stimulating, supporting and promoting farm based enterprise, short food supply chains (SFSC), artisan food production, tourism based products and regional branding (Exodea, 2013; Mulhall, 2012; Moroney et. al., 2013, O' Shaughnessy and O' Hara, 2014). LEADER support for diversification into non-agricultural activities in the most recent programme (2007-2013) was sourced through Axis 3 of the RDP and amounted to €16.7 million. The Axis 3 measure is principally concerned with the mobilisation of farm fixed assets into non-agricultural economic activity for economic gain by a member of the farm household (Mulhall, 2012).

In her study of a sample of newly diversified farm businesses, Mulhall (2012) describes the critical role of LEADER seed funding for the success of farm-based enterprises. However, she also reiterates Dunford's (2012) call for a cultural shift in agricultural discourse and farmer attitudes when she suggests that the "mindset of many farmers, fuelled by a lack of experience outside mainstream agricultural production", continues to "serve as a barrier to diversified farm based enterprises" (Mulhall, 2012, p.7). Similarly, Moroney et. al., (2013), in their study of farm households engaged in short food supply chains (SFSC), described LEADER as the "most appropriate channel through which the majority of rural-based small-scale food enterprises can continue to be developed and supported". Moreover, the LEADER approach has been shown to play a significant role in animating, developing and supporting regional producers groups which have enabled more ordinary farm households to avail of new opportunities and increased margins associated with SFSC activity in a way that retains their occupational identity, utilises the skills they already possess and is socially and culturally acceptable to local farming communities (Moroney et. al., 2013). Yet, at a time when the national strategy for the agri-food sector reflects a strongly productivist agenda the one programme that has been making such a vital contribution to rural sustainable development, at time of wring, is now in flux.

It is worth noting here the degree of aspiration for thematic/policy integration represented by the EU RDP. Under the 2014-20 programme there are three broad strategic objectives: improving the competitiveness of agriculture; the sustainable management of natural resources and climate action; and a balanced territorial development of rural areas. Beyond this lie six priority areas: fostering knowledge transfer in agriculture, forestry and rural areas; enhancing the competitiveness of all types of agriculture and enhancing farm viability; promoting food chain organisation and risk management in agriculture; restoring, preserving and enhancing ecosystems dependent on agriculture and forestry; promoting resource efficiency and supporting the shift toward a low-carbon and climate-resilient economy in agriculture, food and forestry sectors; and promoting social inclusion, poverty reduction and economic development in rural areas. Taken together these objectives and priorities convey a sense of a coherent and integrated vision for a productive agriculture delivering quality

food, supporting rural livelihoods and ensuring a sustainable management of natural resources.

However, although a total of €250m has been earmarked for the national RDP programme for the period 2014 – 2020, this budget has yet to be allocated to projects on the ground. In fact, no new projects have been supported by LEADER since the end of the last programme in December 2013, and are unlikely to be supported until the new programme is implemented at the end of 2015, a pause of almost two years. This is due in part to the ongoing reform of the Irish local development sector, in which LEADER has been embedded since the 1990s. The sector has been subject to increased scrutiny in the past five years, largely as a result of the government public sector expenditure reform and rationalisation strategy (Department of Finance, 2009; Department of Public Expenditure and Reform, 2011; OECD, 2013). This reform is designed to provide local government with a more ‘central coordinating role in local and community development’ and establish better alignment between the two. This presents profound implications for the future of many of the companies that have delivered the LEADER programme in Ireland to date and consequently the community-led, territorial based rural sustainable development approach which it has successfully fostered for the past 21 years.<sup>12</sup>

Notwithstanding that this process of alignment between local government and local and community development may achieve some of the expected efficiencies, at a time which is so sharply characterised by a productivist agenda in agriculture, there is cause for alarm that the LEADER programme is currently stalled or potentially stunted for the future. At the time of writing, many of the existing LEADER companies that have delivered the programme over successive phases since 1991 are engaged in a process of tendering for funding that, according to indicative timelines, they are unlikely to disburse until at least the third quarter of 2015.

### **The environment and rural sustainable development in Ireland**

Irish farming over most of the past two thousand years has made extensive use of conditions favouring the abundant growth of grass. Cattle have consequently held an important place in Irish culture with dairy herds - not beef animals - seen as a measure of wealth and social standing and providing the currency with which to pay rents, tributes and gifts. Today there are around seven million cattle held across approximately 110,000 farms, the majority of which are beef operations though, as noted earlier, with insufficient economic returns to make them full-time commercial concerns. Although a minority the 16,500 dairy farms held just over 1 million cows in 2007, a number that is set to rise to 1.4 million by 2020. Consequently, one of the pressing questions that has been hovering around Irish agricultural policy over the last

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<sup>12</sup> Dr Sean O Riordan has highlighted that unlike its counterparts in other jurisdictions, Irish local government has not traditionally had a direct responsibility in the areas of enterprise development, training, mentoring, and grant support.

few years is the degree to which a socially, economically and environmentally sustainable agriculture can be developed around intensive livestock production.

It has long been recognised that grazing animals at low to medium stocking densities can work well with maintaining a biologically diverse landscape. However, the logic of productivism is to significantly raise herd size, increase throughput, maximise weight gain and, unfortunately all too frequently, to compromise on animal welfare in pursuit of the bottom line. In many intensive animal feeding operations, livestock are taken off the land entirely and raised in factory-like conditions to achieve optimum yields in the minimum time. In Ireland, however, cattle remain on grass for the greater part of the year – with most beef year-round – and feed on fresh pasture and silage (and concentrates) over winter. This ‘natural’ practice appears to make a strong environmental case for Irish agriculture. Yet, paddock management practices including silage harvesting, slurry-spreading, nitrate applications and so on have proved immensely damaging to populations of ground-nesting birds and other fauna as well as to water quality through nitrate leaching.

One of the main sources of funding for the management of biodiversity and water quality in Irish agriculture is through Agri-Environment Schemes (AES) which are funded under Axis 2 of the RDP. In areas regarded as possessing especially high nature value, a further designation was established under the 1992 Habitats Directive, that of Natura sites. Approximately 13 percent of Ireland’s land area is designated under this label, comprising both Special Areas of Conservation (SACs) and Special Protection Areas (SPAs) that relate to the EU’s Habitats and Birds Directives respectively. It is worth noting that across the EU Ireland had, in 2010, the smallest percentage of land designated as SPAs at only 3 percent of total land area and less land designated as SAC than the EU average of 14 percent (CSO, 2012). Moreover, only 9 percent of protected habitats had favourable status, 50 percent were ‘inadequate’ and 41 percent assessed as ‘bad’.

Natura 2000 is the network of nature protection areas across Europe that has the objective to assure ‘the ‘long-term survival of Europe’s most valuable and threatened species and habitats’ (Dunford, 2012, p.2). Dunford explains that these AES contain a specific Natura measure that is designed to ‘support farmers in designated areas to contribute to positive environmental management of farmed Natura sites’. Farmers that own land designated under Natura 2000 are obliged to comply with ‘notifiable actions’ that might potentially damage the habitat and/or negatively impact on biodiversity, but are also compensated for such compliance.

In Ireland the Natura 2000 network includes approximately 420 *Special Areas of Conservation* (SAC), covering an area of 13,500sq km, and is predominantly located in marginal agricultural locations characterised by “extensive, low-input cattle and sheep production with poor social and economic viability” (Dunford, 2012: 1). Between 1994 and 2009 an estimated €3bn was allocated to participating farmers via AES (DAFF, 2010), said to contribute ‘critical support for some of Ireland’s more marginal farms’ (Indecon, 2010; Dunford, 2012, p.3; see also Dunford 2002; O’Rourke and

Kramm, 2009). However, in his examination of farming and Natura 2000, Dunford (2012) is critical of the residual cynicism towards *conservation farming* and suggests that Irish farmers need to be increasingly encouraged to reprioritise their land management objectives away from production towards a more multifunctional approach in a whole new culture of stewardship which ensures that environmental objectives are integrated into farming systems. Concerns are also raised about the lack of branding and exploitation of the tourism and educational opportunities associated with Natura sites in Ireland. It is reported that in order to realise the potential associated with conservation farming in Ireland, a cultural shift will be necessary to fully embrace a viable, multi-purpose and environmentally friendly agriculture. Yet, unfortunately, all the incentives appear to be pointing in precisely the opposite direction, encouraging farmers to scale up production in pursuit of higher farm incomes often at the expense of public goods.

### **Food Harvest 2020: A deepening engagement with productivism?**

Food Harvest 2020 was developed by the production and processing sectors of the Irish agri-food industry as a strategy through which to achieve ambitious targets for a range of commodities. It was published by the Department of Agriculture, Food and the Marine in 2010 thus effectively serving to establish it as government policy, though one that continues to be referred to as a 'roadmap'. Using as a baseline reference years of 2007-09, key targets for 2020 included a 50 percent volume increase in milk production; a 20 percent increase in the value of beef output; a 50 percent increase in the value of pig meat production; a 20 percent increase in the value of sheep meat production; and a series of targets and recommendations applied to other sectors. Dairy has been a central plank of the strategy, for it was built around the anticipated removal of milk quotas by the European Commission at the end of March 2015 and banked upon the pent-up demand by farmers to increase their herds and output. The logic underlying this expansion was, as noted previously, the existence of export markets with rising demand for meat and dairy products across rapidly developing middle-income countries, for which China represents the ultimate prize. It is important to also note that another key driver was Ireland's disastrous economic situation triggered by the near collapse of the country's banks that was averted by recourse to an international bailout. It hardly needs noting that creditors expected Ireland to find ways to boost export earnings in whatever way it could.

Today, the agri-food sector has become Ireland's largest indigenous industry with a turnover of €26 billion and with export earnings of over €10 billion in 2013. Over two-fifths of exports are to the UK while almost a further third are to elsewhere in Europe. Ireland is the fifth largest net exporter of beef in the world, with 85 percent of its production exported, but dairy leads the way with the value of exports exceeding €3 billion in 2014. Although Irish butter and cheese have been traditional export mainstays, the dairy sector has experienced quite significant diversification.

Take, for example, whey protein isolate; long regarded as a low value by-product from cheese and butter making, it is now a key ingredient in a variety of sports nutrition products with considerable added-value potential. Glanbia, one of the largest Irish dairy companies now enjoy a 12 percent global market share in this sector. Moreover, Ireland hosts the manufacturing operations of three of the world's most important infant formula feed companies: Abbott Laboratories, Danone (owners of the Cow and Gate brand) and Nestlé (owners of Wyeth). The Danone facility in Macroom, County Cork produces 125,000 tonnes of infant formula per year, while Wyeth in Askeaton, County Limerick produces about one-third of that, but 75 percent is exported. Indeed, sales of infant formula accounted for more than a quarter of Irish dairy exports in 2013 and are set to grow significantly (DAFM, 2012).

Particular effort has been invested by the Irish government in growing collaborative business ventures with China especially in the dairy sector including in infant nutrition products. Irish dairy exports to China are worth €400 million per year of which sales of infant formula account for around 80 percent. It is worth noting that the opportunity to supply infant formula products arose from the 2008 scandal that witnessed the contamination of Chinese milk, which was watered down and then enriched with melamine to artificially boost its protein content resulting in the death of six children and the hospitalisation of hundreds of babies. This food scare has led to a huge demand by Chinese families for foreign formula feed alongside the widespread promotion of bottle-feeding by formula sales representatives in China (Gong and Jackson, 2013). This has worked strongly in Ireland's interest in promoting the image of a green and natural environment that produces nutritious and, above all, safe milk for the precious 'Little Emperors' of China's one-child policy (Jing, 2000). What is less clear is whether Ireland's promotion of bottle-feeding overseas is in conflict with the advice of its own Department of Health and Children that recommends to Irish mothers that they exclusively breastfeed their infants until six months and "continue breastfeeding after that in combination with appropriate complementary foods (solids) up until the age of 2 years or beyond" (Dept of Health & Children, 2003).

There is no doubt how commercially successful the Irish agri-food sector has become over the past decade and indeed the contribution of the sector to national economic recovery is noted. Food Harvest 2020 is now being extended through a recently announced successor programme Food Wise 2025. This sets out four headline aspirations: increase the value of agri-food exports by 85 percent to €19 billion; increase the value added to sector by 70 percent to €13 billion; increase the value of primary production by 65 percent to €10 billion; and deliver an extra 23,000 jobs in the sector. Moreover, while it continues the 'smart, green, growth' branding of Food Harvest 2020 (but now with 'smarter greener growth'), it is joined by a greater emphasis on the place of local communities across the island being connected to "vast and diverse food markets around the globe" (DAFM, 2015). These extraordinarily high aspirational targets are based upon assumptions about future market demand and that farmers will be the prime beneficiaries. However, there are very substantial grounds for caution on environmental, economic and social dimensions. Moreover, it raises the

question: can the Irish agri-food sector continue blindly down the road of producing as much as it wishes without taking account of the consequences?

In a recent blog post, the distinguished agricultural economist Prof Alan Matthews examines the targets of Food Wise 2025 against the price forecasts of both the OECD and the European Commission to 2024. Their calculations involve different models but neither expects much uplift in nominal prices for the main commodities produced by the Irish agricultural sector, with significant falls in the price of beef and stagnant prices for milk. As Matthews points out, prices will be of little help to the primary sector in meeting its target of 65 percent increase in value by 2025. Indeed, in practice static nominal prices mean a decline in farm income in real terms while energy and fertilizer prices can be expected to rise from their current low levels. This will hinder productivity growth if this is to be the sole means to achieve the target. Yet looking back on output performance since 1990 Matthews does not see grounds for optimism here with average annual growth of just 2 percent. CAP payments are also fixed in nominal terms to 2020 (Matthews, 2015).

Precisely on cue, a report in the Irish Times at the time of writing this chapter reported, “Irish dairy farmers are bracing themselves for further falls in milk prices amid fears the current market slump may drive many out of the industry” (Burke-Kennedy, 2015). It goes on to report that an unexpected collapse in Chinese demand has contributed to prices halving over the past year, and are now barely above the average cost of production (25 cent/litre) without factoring in the cost of labour. A farm organization representative was quoted as saying that the industry was at a critical juncture “where farmers are now actually losing money on every litre of milk that goes out the gate” (Burke-Kennedy, 2015). Thus it is possible that growing pressure from Irish farm organisations - to stabilise milk prices and hence farm incomes - will be more to trigger the next debate about the wisdom of the current, and incoming, national agricultural/agri-food policy and strategy rather than its consequences for social, economic and environmental rural sustainable development.

## **Conclusion**

Despite the rhetoric of commitment to a multi-functional agricultural and rural sustainable development, the productivist paradigm continues to pervade Irish agriculture policy, finding expression in the most recent, and incoming, national agricultural/ agri-food strategies. That this productivist regime to date has resulted in a bifurcated agricultural system characterised by income and spatial inequalities and a host of environmental consequences seems to have been somewhat ignored in the process of devising these latest national strategies. Understandably, the commitment to developing Irish agriculture and the agri-food sector is linked to achieving national economic recovery and while this is to be applauded, it should not override the pursuit of an endogenous rural sustainable development process. Moreover, it seems to ignore the EU RDP 2014-20 which calls for a productive agriculture delivering quality food, supporting rural livelihoods and the sustainable management of natural resources.

The reality is that productivism is not suitable to all farm enterprises and agricultural regions. Not all farm households are capable of, or even inclined towards, the scaling up and process of intensification required to meet a productivist agenda. Productivism has particular repercussions for marginal farm households farming in peripheral rural locations and has direct negative consequences on social and environmental sustainability, key cornerstones of rural sustainable development. The alternative is a process of endogenous rural sustainable development with an emphasis on developing a diversified rural economy based on the utilisation and preservation of indigenous human, environmental and infrastructural resources. Since the early 1990s this approach has found expression in the LEADER methodology giving rise to a variety of innovative and sustainable rural development initiatives. That this methodology is currently at risk as administrative boundaries are re-drawn and funding is delayed – at the same time as a new national agri-food strategy is launched - confirms a deepening national engagement with productivism. Thus, while many commentators have called for a cultural shift in the mind set of Irish farmers to embrace a viable, environmentally friendly and multi-purpose agriculture, perhaps the same might be said for agricultural policy makers.

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