



# Feasibility Study on Producer Organisations (POs) in the Irish Organic Sector



# Acronyms

APO	Association of Producer Organisations
APROA	Andalusian Association of Fruit and Vegetable Producer Organisations
CA	Controlled Atmosphere
CAP	Common Agricultural Policy
CMP	Commercial Mushrooms Producers
CUMA	Coopérative d'Utilisation de Matériel Agricole
CuTE	Cultivating the Taste of Europe
DAFM	Department of Agriculture, Food and the Marine
DCA	Dynamic Controlled Atmosphere
EFC	European Fruit Cooperation
ESSPO	Early-Stage Support for Producer Organisations
EU	European Union
IBP	Irish Beef Producers
IOA	Irish Organic Association
IOMS	The Irish Organic Milk Suppliers Organisation
MOPS	Maximising Organic Production Systems
NGOs	Non-Governmental Organisations
OFS	Organic Farming Scheme
POs	Producer Organisations
R&D	Research and Development
SMART	Specific, Measurable, Achievable, Realistic, Time bound
TAMS	Targeted Agricultural Modernisation Scheme
UK	United Kingdom
VMP	Value of Marketed Production

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# 1. Introduction and Methodology

Teagasc, Ireland's Agriculture and Food Development Authority, has commissioned this feasibility study to evaluate the potential role of Producer Organisations (POs) in enhancing and supporting the Irish organic agricultural sector.

The organic agricultural sector in Ireland has seen a number of incentives in recent years to promote growth. There are ambitious national and EU targets in place such as increasing organic land coverage from 4% in 2023 to 7.5% by 2027 under the CAP Strategic Plan 2023-2027, as well as a national target for 10% of all agricultural land to be farmed organically by 2030. The sector has experienced significant growth, bolstered by financial supports to farmers who switch to organic production. Considering the growth of the sector, and the ambitious targets, there is increasing recognition of the need for sustainable and collaborative approaches to further the sector's development.

Producer Organisations have the potential to play a crucial role by fostering market coordination, improving supply chain management, and facilitating collaboration and networking opportunities between farmers.

This study aligns with the EU's Action Plan for the Development of Organic Production, which recognises that POs can help to strengthen the position of organic farmers in the agri-food supply chain.

By investigating the potential of POs to help in reaching these goals, this study seeks to provide valuable insights and actionable recommendations to support the growth and sustainability of Ireland's organic agricultural sector.

## 1.1 Methodology

The methodology for this study involved a combination of qualitative and quantitative approaches. Primary data collection was conducted via stakeholder interviews and was complemented by desk research and literature review. Semi-structured interviews were conducted with key stakeholders across organic agriculture and people involved with POs. Interviewees included government representatives, organic farmers, existing POs, and experts in the organic industry.

Government stakeholders provided insights into current policies, regulatory frameworks, previous experience and future opportunities for POs. Interviews with organic farmers focussed on their experiences, challenges, and expectations from POs. Existing POs enhanced the understanding of operational models, challenges, and had the ultimate aim of getting a better understanding of best practice. Experts from the organic sector offered perspectives on market trends, market access, consumer behaviour, and the overall viability of expanding POs in Ireland.

Interviews with industry stakeholders were also conducted to understand their barriers to, and opportunities for, increasing organic processing, current sourcing models and challenges, as well as their appetite for engaging with POs.

Interviews were conducted via Microsoft Teams, phone, and in-person, depending on the availability and preference of participants. Each interview lasted between 30 and 45 minutes, and responses were transcribed, and analysed thematically to identify common trends, challenges, and opportunities. Some of the stakeholders we conducted interviews with are illustrated below.

**Figure 1: Stakeholders interviewed**



Extensive desk research was also conducted to complement insights gained from stakeholder interviews. This involved reviewing existing literature, policy documents, market reports, and case studies on POs in organic agriculture, both within Ireland and internationally. The desk research provided a contextual background, informed the design of the interview questions and added insight following stakeholder interviews.

The combination of primary and secondary research methods ensured a comprehensive understanding of the feasibility of establishing and scaling POs in Ireland’s organic agriculture sector. It also provided a solid basis for the development of the recommendations outlined in this report.

We would like to thank all of the stakeholders who engaged with us during the process of writing this report. This included representatives from:

- |   |   |
|---|---|
| Department of Agriculture, Food and the Marine (DAFM) | Irish Organic Milk Suppliers Co-op (IOMS) |
| Agri Food Regulator                                   | Quality Green PO                          |
| Teagasc   | Mayo Lamb Producers Group                 |
| National Organic Training Skillsnet (NOTS)            | Limerick/Tipperary Farmers Group          |
| Bord Bia  | Soil Association (UK)                     |
| Irish Organic Association (IOA)                       | Organic Arable (UK)                       |
| Organic Trust (OT)                                    | Dawn Meats                                |
| Organic Growers of Ireland (OGI)                      | Little Milk Company                       |
| Irish Farmers Association (IFA)                       | Aurivo                                    |
| Agricultural Consultants Association (ACA)            | Flavahan’s                                |
| ICSA Organics Committee                               | Beechlawn Organic Farm                    |
| Meat Industry Ireland (MII)                           | Dairy Industry Ireland (DII)              |
|   | Dairy Sustainability Ireland              |

## 2. Key Findings and Recommendations

The organic sector in Ireland is growing, with ambitious EU and national targets requiring further sustained growth over the coming years. In order to achieve this growth, the sector will have to overcome numerous challenges that could hinder its development.

Challenges facing organic farmers include fragmented supply chains, limited processing capacity, and inconsistent market demand. Another significant issue is the leakage of organic produce into conventional supply chains, particularly in the livestock sector, which undermines the integrity and economic viability of the organic market. Weak links between producers, especially between primary producers and finishers, exacerbate supply chain inefficiencies.

Farmers grapple with knowledge gaps in organic farming practices and can face difficulties in accessing organic inputs. The sector also contends with strong competition from conventional products and imports, which can undercut prices and market share for Irish organic produce. Addressing these challenges is crucial for the sector's sustained growth and for meeting national and EU targets.

Producer Organisations (POs) have the potential to strengthen Ireland's organic agricultural sector by improving supply chain coordination, increasing bargaining power, enhancing market access and stability, reducing costs for farmers, and facilitating knowledge sharing and innovation. However, it's important to note that POs are not a universal solution. Their effectiveness depends on various factors including member commitment, management quality, and market conditions.

Through the research, a number of barriers to the success of POs in the organic sector were identified. These include:

- Regulatory complexity and the administrative burden
- Lack of specialised skills in management and marketing
- Trust issues and difficulties in partnership formation
- Financial risks and uncertainties
- Limited supply and market dynamics
- Scale limitations for smaller organic farmers

A number of opportunities for organic POs to accelerate success were also identified:

- Improved coordination and visibility of supply
- Enhanced communication and knowledge sharing
- Joint marketing and branding efforts
- Shared transport and logistics
- Collaborative research and development
- Joint processing facilities
- Shared purchasing of inputs
- Machinery and labour sharing

## 2.1 Recommendations

1. Establish a centralised PO hub to provide clear, accessible information and resources for organic farmers interested in forming or joining POs.
2. Appoint a dedicated person to drive the growth of POs and establish the PO hub. It is suggested that DAFM issue a call for Expressions of Interest from interested parties who are willing to drive the establishment of POs.
3. The provision of DAFM PO guidelines specific to the tillage sector, similar to what DAFM already provide for dairy and beef sectors.
4. Remove regulatory blockers that disproportionately affect organic POs such as minimum requirements on member numbers/turnover.
5. Develop a comprehensive PO handbook tailored to organic producers, outlining step-by-step processes for PO establishment and management.
6. Implement funding and training programmes focussed on the skills needed for a successful PO including supply chain management, sales and marketing, market positioning, trust and communication, encouraging member participation in POs and financial management.
7. Create a PO pilot scheme to allow producers, particularly those in informal groups, to test the concept of a PO or participate in PO workshops before full commitment.
8. Explore mechanisms that will support POs after the Early-Stage Support for Producer Organisations programme, for years 3 to 5, and for the longer term.
9. Investigate digital tools or templates that could be made available to POs to improve data collection, forecasting, and communication to enhance supply chain coordination.
10. Provide support for POs to develop effective marketing and branding strategies, potentially through collaboration with existing agricultural marketing bodies. Funding and support for website and marketing material development would also be of benefit here.
11. Promote the establishment of APOs where there is more than one PO in a sector.
12. Promote collaboration between POs and research institutions to drive innovation.
13. Encourage the formation of regional pick-up points or hubs to facilitate shared transport and logistics for organic producers.
14. Explore opportunities for joint processing facilities, particularly in the fruit and vegetable and tillage sectors, to add value to organic products.
15. Investigate shared purchasing initiatives for organic inputs to reduce costs and support local organic production.
16. Investigate the potential for machinery and labour sharing POs, particularly in horticulture and tillage sectors.
17. Consider the formation of a specialised organic hill lamb PO to address challenges in that sector.



## 2.2 Risk of inaction

If none of the aforementioned recommendations are implemented and no additional focus is given to establishing and expanding Producer Organisations (POs) in the organic sector, several significant risks could affect the sector as a whole. These risks include:

- Fragmentation – As highlighted in this report, the organic sector can lack cohesion and coordination. This poses significant challenges for processors, buyers, and organic farmers. POs have the potential to address this issue, fostering greater coordination and reducing market fragmentation.
- High rates of leakage – Without improved coordination, the risk of leakage in the organic sector remains high. This is discussed further in this report and is a persistent issue that damages the organic market as a whole. With more organic farmers coming on stream, without a mature market, the risk of leakage is growing and a mechanism such as POs will be required to prevent this. Organic POs can serve as a necessary mechanism to mitigate this by providing a dependable, consistent, and transparent route to market for organic produce.
- Poor organic prices – POs offer a platform for farmers to unite and negotiate prices collectively, enhancing their bargaining power and influence. This can help counter downward pressure on prices, especially as increased supply risks individual farmers unintentionally undercutting market prices.
- Farmer disillusionment – If prices fall, leakage is high and the market is uncoordinated with a perceived limited interest from buyers, farmers may feel isolated and feel that their organic farming efforts are not worth the hassle. This risk is heightened when grants or incentives are discontinued.
- De-conversion – The cumulative impact of all of these factors could ultimately result in farmers abandoning organic farming altogether.

To safeguard against these risks, it is crucial that supports, frameworks and networks are put in place. This report explores POs as a potential component of the solution to address these challenges.

# 3. Producer Organisations in Ireland

## 3.1 What is a PO?

A Producer Organisation (PO)<sup>1</sup> is a group of farmers or agricultural producers that come together to collaborate and improve their collective bargaining power. The European Commission state that POs can strengthen the position of farmers through:

- Concentrating supply
- Marketing
- Providing technical and logistical advice to members
- Quality management
- Knowledge transfer

The legal bases governing POs are set out by the EU and certain criteria are then added by each member state. The Department of Agriculture, Food and the Marine (DAFM) are responsible for PO rules in Ireland and there is a Statutory Instrument (S.I. No 396 of 2023) to regulate this. According to the EU law, each member state also has a responsibility to do the following:

- **Application process** — Member States have 4 months to decide on PO recognition applications.
- **Compliance checks** — Member States must conduct periodic checks on recognised POs at a frequency determined by the Member State.
- **Enforcement** — If POs fail to comply with regulations or show irregularities Member States must impose applicable penalties and may withdraw recognition if necessary.
- **Reporting** — By the 31st of March each year, Member States must inform the EU Commission of all decisions made in the previous calendar year regarding granting recognition, refusing recognition and withdrawing recognition.

The full list of requirements to become a recognised PO is outlined in Section 3.3.

## 3.2 Why become a PO?

Ordinarily, EU competition law prevents independent market operators from collaborating in ways that might distort competition, such as through price-fixing. However, within the framework of POs, agriculture is recognised as a unique sector that faces different market dynamics than other industries. To accommodate these differences, regulations<sup>2</sup> provide derogations that allow POs to engage in collective bargaining and other joint activities that would otherwise violate competition law.

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1 [Producer and interbranch organisations — European Commission \(europa.eu\)](#)

2 Regulation (EU) No. 1308/2013

The formation of POs across the EU is a strategic response to market challenges faced by farmers operating with little power in the market who are often forced to be ‘price-takers’. One of the primary functions of POs is collective bargaining, whereby members can pool resources and outputs to negotiate better terms with buyers, particularly on price and supply conditions. By consolidating produce through a PO, farmers can achieve greater volumes, which in turn enhances their market significance and ability to negotiate from a stronger position. This not only reduces transaction costs but also improves market coordination, ultimately allowing for increased transparency and collaboration with buyers.

In interviews with stakeholders, the number one advantage cited was the increased bargaining power that POs provide to producers. Many expressed the sentiment that “the whole is greater than the sum of its parts,” noting the significant advantages gained as a collective versus operating individually. It was noted that the market structure and buying practices of the specific sector was an influencing factor in the degree of benefit that could be achieved.

In addition to these legal benefits, becoming a recognised PO also brings the following advantages:

- ✓ **Improved efficiency and reduced transaction costs** — POs allow for joint processing, distribution, packaging, labelling, and promotion activities, so have the potential to increase efficiencies and reduce costs associated with processing and marketing.
- ✓ **Production planning** — POs can help ensure that production is planned, coordinated, communicated and adjusted to supply available and buyer demand.
- ✓ **Market information** — POs can improve marketing efforts and share market information among members.
- ✓ **Resource optimisation** — Members can jointly use equipment and storage facilities, leading to better resource utilisation.
- ✓ **Training and knowledge sharing** — Members can benefit from sharing best practices and transferring knowledge within the PO. The PO can facilitate training and information days, group farm visits, and discussion groups for members.
- ✓ **Technical assistance** — POs can provide technical assistance and advice to their members.
- ✓ **Input procurement** — Members can benefit from joint procurement of inputs, potentially reducing costs.
- ✓ **Quality control** — POs can organise joint quality control measures for member products.
- ✓ **Waste management** — POs can implement joint waste management practices from production.
- ✓ **Sustainability** — POs can contribute to sustainable use of natural resources and climate change mitigation.
- ✓ **Peace of mind** — Producers within the PO have the peace of mind that they can bargain and work collectively without any risks of competition law breaches.

Recognised POs can also access funding and support that is not available to informal producer groups. Funding currently available in Ireland is summarised below:

**Early-Stage Support for Producer Organisations** — From 1st January 2023, newly recognised POs are eligible for additional funding of €10,000 per year for the first three years of establishment towards administrative costs. The ESSPO also allows a one off €3,000 grant to be used towards advisory services through a DAFM approved facilitator for general advice (max. €1,500) and legal advice (max €1,500) on setting up a PO.<sup>3</sup>

A facilitator providing general advice can be used to ensure that the PO, once established, will meet one or more of the following outcomes:

- Ensure that production is planned and adjusted to demand.
- Place member products on the market including through direct marketing and develop initiatives in the area of promotion and marketing.
- Optimise production costs and returns on investments in response to environmental and animal welfare standards, and stabilising producer prices.
- Carry out research and develop initiatives on sustainable production methods, innovative practices, economic competitiveness and market developments.
- Promote, and provide technical assistance for, the use of environmentally sound cultivation practices and production techniques, and sound animal welfare practices.
- Develop products with a protected designation of origin, with a protected geographical indication or covered by a national quality label.
- Contribute to the sustainable use of natural resources and to climate change mitigation
- Provide the necessary technical assistance for the use of the futures markets and of insurance schemes.

A facilitator providing legal advice can be used for guidance on:

- The application of rules adopted by the PO relating to production reporting, production, marketing and protection of the environment.
- How to amend the rules of a PO.
- Rules that allow producer members to work together in a democratic manner.
- Penalties for infringement of obligations under the statutes, particularly for non-payment of financial contributions, or of the rules laid down by the producer organisation.
- Rules on the admission of new members, and in particular the minimum period of membership which may not be less than one year.
- Accounting and budgetary rules necessary for the operation of the organisation.

**Fruit and Vegetable Producer Organisation Scheme** — Once recognised, POs in the fruit and vegetable sector can develop a 3 to 7 year Operational Programme with actions (drawn from a list of eligible actions) to achieve their own SMART goals. Actions focus on things such as marketing produce, improving efficiencies, and mitigating climate change. From 1st January 2023, newly recognised or merged POs are eligible for at least 60% and up to 80% aid on actions in Operational Programmes. Existing POs are eligible for at least 50% and up to 80% aid on actions in Operational Programmes. Aid is claimed and paid a year in arrears. The budget for an Operational Programme is set as a percentage of Value of Marketed Production (VMP). A PO may claim 50% EU aid on eligible actions in the programme up to a ceiling of 4.1% of their VMP.

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<sup>3</sup> <https://assets.gov.ie/88595/e9840c48-53c6-442b-afc8-5e769662aab2.pdf>

### 3.3 PO Requirements

The following table summarises the EU and DAFM requirements for recognised POs by sector.

**Table 1: PO Requirements**

To be recognised by DAFM, a PO must...	Dairy	Beef & Lamb	Hort <sup>4</sup> & Tillage
Have been set up on the initiative of producers <sup>5</sup> .	Yes	Yes	Yes
Be made up of and controlled by producers <sup>6</sup> .	Yes	Yes	Yes
Only consist of active suppliers <sup>7</sup> .	Yes	Yes	Yes
Be a legal entity <sup>8</sup> .	Yes	Yes	Yes
Have the minimum number of agricultural suppliers as members <sup>9</sup> . <i>DAFM may recognise a PO with less members where it operates in a specific production area or particular geographic area, or where the Minister has given a derogation<sup>10</sup>.</i> <i>Fruit and vegetable PO members must also have a combined minimum Value of Marketed Production (VMP) (or turnover) of €2.5million. For tillage, plant amenity and potato POs the VMP must be a minimum of €1.5 million.<sup>11</sup></i>	20 active suppliers	20 active suppliers	5 active suppliers meeting minimum turnover
Pursue a specific aim which must include one or more of the following objectives: <sup>12</sup> <ul style="list-style-type: none"> <li>Ensuring production is planned and adjusted to demand, particularly in terms of quality and quantity.</li> <li>Concentration of supply and getting products to market.</li> <li>Optimising producer costs and stabilising producer prices.</li> </ul> Aims may also further include one or more of the following: <ul style="list-style-type: none"> <li>Carrying out research and development.</li> <li>Promoting or providing technical assistance on production, sustainable practices, futures markets or insurance schemes.</li> <li>Management of waste or by-products.</li> <li>Contributing to sustainable use of natural resources and to climate change mitigation.</li> <li>Developing initiatives in promotion and marketing.</li> <li>Managing mutual funds in the fruit and vegetable sector.</li> </ul>	Yes	Yes	Yes
Have a statute that require PO members to: <sup>13</sup> <ul style="list-style-type: none"> <li>Be members of only one PO for a given commodity.</li> </ul> <i>Unless Article 153(1)(b) applies, and they are in different geographic or production areas.</i>	Yes	Yes	Yes

4 Fruit and vegetable, potato and amenity plants

To be recognised by DAFM, a PO must...	Dairy	Beef & Lamb	Hort <sup>4</sup> & Tillage
<p>Have a statute that require PO members to:<sup>14</sup></p> <ul style="list-style-type: none"> <li>• Apply the rules the PO makes in relation to production reporting, production, marketing and environmental protection.</li> <li>• Provide the information requested by the PO for statistical purposes.</li> </ul>	Yes	Yes	Yes
<p>Also have statutes relating to:<sup>15</sup></p> <ul style="list-style-type: none"> <li>• Making and changing rules.</li> <li>• Financial contribution of members and accounting and budgetary rules.</li> <li>• Rules for democratic scrutiny of the PO by members.</li> <li>• Penalties for infringement of obligations.</li> <li>• Rules for admitting new members, membership cannot be less than one year.</li> </ul> <p>Beef POs must also include the following:</p> <ul style="list-style-type: none"> <li>• Require each member to sign a membership agreement abiding by the PO's rules.</li> <li>• Undertake to conduct contract negotiations in a fully transparent manner.</li> <li>• Where the PO requires a minimum commitment of produce from members, specify so and the commitment required.</li> <li>• Set out rules for nominating members to negotiate with a factory.</li> </ul>	Exempt	Yes	Yes
Have a democratic vote of members to agree new statutes.	Yes	Yes	Yes
Apply to DAFM to be recognised as a PO, including all relevant supporting evidence such as statutes adopted.	Yes	Yes	Yes
<p>Generate 'significant efficiencies' through at least one of the following:</p> <ul style="list-style-type: none"> <li>• Joint processing</li> <li>• Joint packaging and labelling</li> <li>• Joint distribution including selling platform or transport.</li> <li>• Joint promotion.</li> <li>• Joint organisation of quality control.</li> <li>• Joint use of equipment or storage facilities.</li> <li>• Joint waste management directly related to production (of live cattle for beef POs).</li> <li>• Joint procurement of inputs.</li> </ul>	Yes	Yes	Yes
Not negotiate any contract on behalf of members where the quantity covered exceeds a certain percentage of the total national or EU production, whichever is greater.	33% national or 4% EU	15% national	

4 Fruit and vegetable, potato and amenity plants

To be recognised by DAFM, a PO must...	Dairy	Beef & Lamb	Hort <sup>4</sup> & Tillage
Not negotiate any contract on behalf of members if the milk is already covered by an obligation to supply a Co-Op.	Yes	No	No
Require members to sell their entire production through the PO.	No	No	Yes
Agree to be included on a DAFM register of POs.	Yes	Yes	Yes
Provide evidence they can carry out their activities properly both over time and in terms of effectiveness and concentration of supply <sup>16</sup> . Report to DAFM annually and respond to DAFM within 30 days of any information request.	Yes	Yes	Yes
Facilitate compliance checks by DAFM or an authorised officer. Any non-compliance instances must be rectified within 6 months or DAFM can withdraw recognition.	Yes	Yes	Yes
Notify DAFM of any changes to its operational basis, major changes to its Statutes or a disband. <i>Fruit and vegetable POs must also notify DAFM of any membership changes.</i>	Yes	Yes	Yes

### 3.4 PO Associations

An Association of Producer Organisations (APO) is an umbrella organisation formed of two or more POs in the same sector. APOs are designed to further the goals that POs alone may not be able to achieve, allowing POs to work together and share resources. The purpose of setting up an APO may be to increase the impact of marketing efforts, collaborative investment or resource allocation. The advantages of becoming an APO include:

- Increased market power and market information sharing
- Improved efficiencies in logistics
- Increased access to funding
- Knowledge sharing on a larger scale
- Large scale marketing campaigns
- Coordinated R&D efforts

APOs may carry out the any of the functions or activities of POs, according to Article 156 CMO Regulation<sup>17</sup> and are subject to rigorous requirements, including maintaining democratic governance, ensuring transparency, and complying with production volume thresholds set for recognition.

4 Fruit and vegetable, potato and amenity plants

5 [Article 152\(1\)\(b\) of EU Regulation 1308/2013](#)

6 Article 152(1)(a) of EU Regulation 1308/2013

7 [ire221048.pdf \(fao.org\)](#)

8 Article 154 (1)(c) of EU Regulation 1308/2013

9 [ire221048.pdf \(fao.org\)](#)

10 <https://assets.gov.ie/137587/d1a7c3cf-7d08-4105-8b69-6c40b9de82b4.pdf>

11 [Early Stage Support for Producer Organisations — CAP Network Ireland](#)

12 Article 152 of EU Regulation 1308/2013

13 Article 153 of EU Regulation 1308/2013

14 Article 153 of EU Regulation 1308/2013

15 Article 153 of EU Regulation 1308/2013

16 Article 154 (1)(c) of EU Regulation 1308/2013

17 [https://agriculture.ec.europa.eu/document/download/79e708ae-dc23-4409-9bf1-542b43dff6d2\\_en?filename=conference-pos-brochure-sept2018\\_en.pdf](https://agriculture.ec.europa.eu/document/download/79e708ae-dc23-4409-9bf1-542b43dff6d2_en?filename=conference-pos-brochure-sept2018_en.pdf)

One example of an APO in Europe is APROA, the Andalusian Association of Fruit and Vegetable Producer Organisations. APROA operates in Spain, representing 54 partners, 38 of which are recognised POs in the fruit and vegetable sector. Key focus areas of APROA include:

- **Market Influence:** APROA pools resources of members allowing it to significantly strengthen its members' market position. This allows APROA to launch large scale marketing campaigns, negotiate better terms and ensure stable prices for the producers it represents.
- **Sustainability and Innovation:** APROA focuses heavily on environmentally sustainable production methods, including water management, plastic reduction, Integrated Pest Management (IPM) and biological control techniques.
- **Export Capacity:** Being a well-coordinated APO, APROA also supports its member POs in entering international markets, ensuring that their produce meets the stringent quality and safety standards required for exports to countries both within and outside the EU.

APROA coordinate periodic marketing campaigns to promote the produce of their members. The most recent campaign was CuTE-Solar where they aimed to raise awareness of the specific characteristics of EU fruit and vegetables grown in solar greenhouses (quality, taste, safety, sustainability) in the EU internal market.

**Figure 2: APO joint marketing**



Source: CuTE Solar<sup>18</sup>

Through joint investment in marketing, technology and infrastructure, APROA enhances the operational capacity of its member POs. This example highlights how APOs can provide vital support to smaller POs by offering economies of scale, technical innovation, and market access.

<sup>18</sup> [CuTE Solar](#)



### 3.5 POs at European Level

Support for POs at a European level is strong. POs are viewed as a way to rebalance the power between farmers who predominately work at a small scale relative to other players in the supply chain and operate independently. The EU acknowledges the role played by POs by enabling them to apply for recognition from the EU Member State they are based in.

EU data published in 2021 indicates that there were 3,478 recognised POs in the European Union and a further 71 recognised APOs. The countries with the highest number of POs are France (736), Germany (705), Italy (648) and Spain (579)<sup>19</sup>.

Figure 3: European POs by country



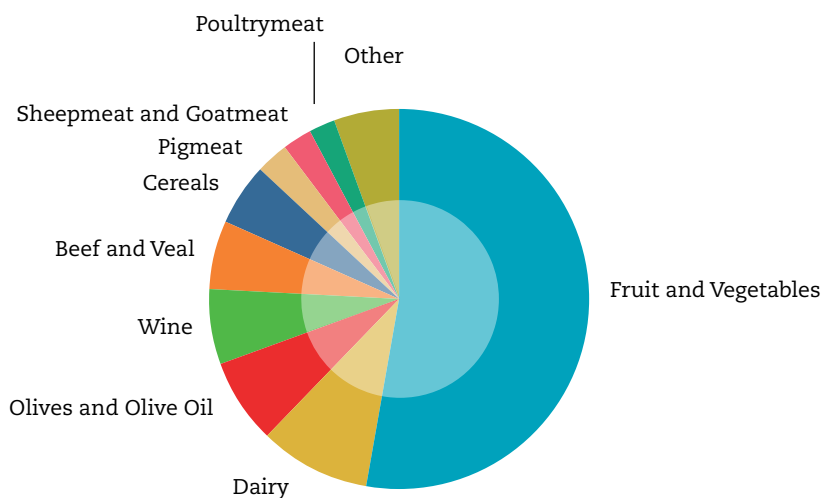
Source: European Commission<sup>20</sup>

19 [Producer and interbranch organisations — European Commission \(europa.eu\)](https://europea.eu)

20 [Study of the best ways for producer organisations to be formed, carry out their activities and be supported — Publications Office of the EU \(europa.eu\)](https://publications-office.europa.eu)

The fruit and vegetable sector is the most common sector for POs in Europe<sup>21</sup>. Dairy is the next biggest sector for POs in Europe, but there are significantly fewer dairy POs than fruit and vegetable POs. The breakdown of European POs by sector is illustrated in Figure 4 below.

**Figure 4: European POs by sector**



Source: European Commission<sup>22</sup>

The Strategic Dialogue on the Future of EU Agriculture, launched by the European Commission in 2024, aims to create a shared vision for the future of European agriculture, focusing on sustainability, resilience, and competitiveness. This initiative brought together stakeholders from the agri-food sector to address key challenges and propose recommendations for EU farming and food systems. The final report, delivered in September 2024, advocates for the strengthening of farmers’ position in the value chain by encouraging them to join associations such as POs to reduce costs, increase efficiencies and improve prices from the market. They recommend that the EU supports this by reinforcing and encouraging the organisation of sectors into POs and by simplifying the recognition process for POs.<sup>23</sup>

21 [Sector reports — European Commission \(europa.eu\)](https://european-council.europa.eu/media/e3000000/1/6/202406/1/132224main_en.pdf)

22 [Study of the best ways for producer organisations to be formed, carry out their activities and be supported — Publications Office of the EU \(europa.eu\)](https://publications.ec.europa.eu/publication-detail/-/publication/132224main)

23 [Strategic Dialogue on the Future of EU Agriculture \(europa.eu\)](https://european-council.europa.eu/media/e3000000/1/6/202406/1/132224main_en.pdf)

### 3.6 POs in Ireland

There are a relatively small number of POs operational in Ireland, primarily in the beef, fruit and vegetables and fisheries sectors. There are currently 2 registered dairy POs, 3 registered beef POs and 5 registered fruit and vegetable POs. An overview of some of the active beef, dairy and fruit and vegetable POs in Ireland are provided in the table below.

**Table 2: POs in Ireland**

Sector	Name	Recognised	About
Dairy	<b>The Irish Organic Milk Suppliers Organisation (IOMS)</b>	2024	IOMS was Ireland's first dairy PO and the country's only organic PO. It was founded in 2023 to serve as a unified voice and advocate for organic dairy farmers. It aims to support the growth of organic dairy in Ireland and make the sector more attractive and farms more viable <sup>24</sup> .
Dairy	<b>The Munster Dairy Producer Organisation (MDPO)</b>	2024	MDPO is also newly established and is comprised of milk suppliers farming in Kerry, Limerick and Clare. The core purpose of MDPO is to collectively negotiate the best milk price and supply terms for farmer members <sup>25</sup> .
Beef	<b>Glasson Beef Producers T/A Irish Beef Producers (IBP)</b>	2019	Irish Beef Producers was the first beef PO in Ireland <sup>26</sup> . The main aim of IBP is to collectively negotiate a cattle price for its members <sup>27</sup> .
Beef	<b>Emerald Isle Beef Producers CLG</b>	2019	Set up for the betterment of Irish beef producers, the EIBP group enables farmers to pool together and collectively supply workable numbers of specific cattle types that will help factories to fill specific contracts. As of 2022, EIBP had 338 farmer-supplier members <sup>28</sup> .
Fruit and Vegetables	<b>Commercial Mushrooms Producers (CMP)</b>	2000	A transnational PO with 35 members focussing on product differentiation and value add. According to DAFM, CMP have achieved a 50% share of the UK retail mushroom market. <sup>29</sup>

24 <https://irishorganicmilk.ie/>

25 <https://www.farmersjournal.ie/news/news/munster-producer-group-is-looking-for-milk-suppliers-824336>

26 <https://www.gov.ie/en/press-release/6901a9-minister-creed-announces-the-establishment-of-the-first-dafm-recogni/>

27 <https://www.agriland.ie/farming-news/irish-beef-producers-aims-to-get-clear-profile-on-supply-quota-for-cattle-nationwide/>

28 <https://www.agriland.ie/farming-news/emerald-isle-beef-producers-submits-second-end-of-year-report-to-dafm/>

29 <https://assets.gov.ie/88595/e9840c48-53c6-442b-afc8-5e769662aab2.pdf>

Sector	Name	Recognised	About
Fruit and Vegetables	Quality Green PO	2003	A major supplier of tomatoes and cucumbers on the Irish market with 5 members and a focus on value added products.
Fruit and Vegetables	Unigreen PO	2019	A field vegetable PO with 7 members and a focus on broccoli, carrots, courgettes, cabbage, swedes, lettuce, parsnips, beetroot, pumpkins and mushrooms. Source <a href="https://assets.gov.ie/88595/e9840c48-53c6-442b-afc8-5e769662aab2.pdf">https://assets.gov.ie/88595/e9840c48-53c6-442b-afc8-5e769662aab2.pdf</a> .

The **Department of Agriculture, Food and the Marine (DAFM)** is the main point of contact in relation to POs as they are responsible for implementing and monitoring POs across all sectors.



# 4. Organic Sector Overview and the Potential Role of POs

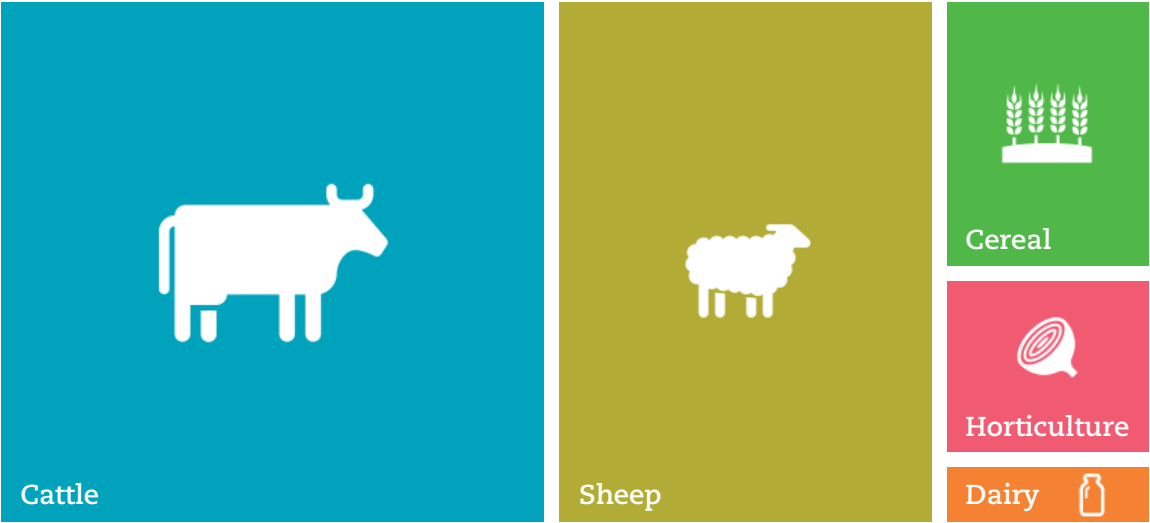
## 4.1 Current status of the organic sector in Ireland

The organic farming sector in Ireland has seen substantial growth in recent years, driven by national and EU targets, significant government support and increased consumer demand.

The Irish government has set ambitious goals to expand organic farming, aiming for 10% of all agricultural land to be farmed organically by 2030<sup>30</sup>. This is a challenging target given that 4% of agricultural land was farmed organically at the end of 2023<sup>31</sup>. Additionally, there is a national target to increase organic land coverage to 7.5% by 2027 under the CAP Strategic Plan 2023-2027<sup>32</sup>.

As of the end of 2023, Ireland’s organic sector had 4,433 certified organic operators, including both producers and processors, with 4,000 farmers participating in the Organic Farming Scheme (OFS). Approximately 180,000 hectares, or 4% of Ireland’s agricultural land, was under organic production<sup>33</sup>. The majority of organic farmers are engaged in cattle and sheep farming, with 2,138 and 1,503 producers respectively. These are followed by cereal producers, horticulture producers, and then dairy farmers. This is illustrated in the figure below.

Figure 5: Organic production in Ireland by sector



30 [www.gov.ie/pdf/?file=https://assets.gov.ie/305309/efc858ad-0c69-47ee-9c4a-73045c380168.pdf#page=null](https://assets.gov.ie/305309/efc858ad-0c69-47ee-9c4a-73045c380168.pdf#page=null)

31 [gov.ie](https://www.gov.ie) — Minister Hackett announces commencement of 2023 Organic Scheme Payments ([www.gov.ie](https://www.gov.ie))

32 <https://assets.gov.ie/243377/92dce3ee-f19e-4645-b58a-9ece0287e41b.pdf>

33 [gov.ie](https://www.gov.ie) — Minister Hackett announces €1 million nationwide marketing campaign for Irish organics ([www.gov.ie](https://www.gov.ie))

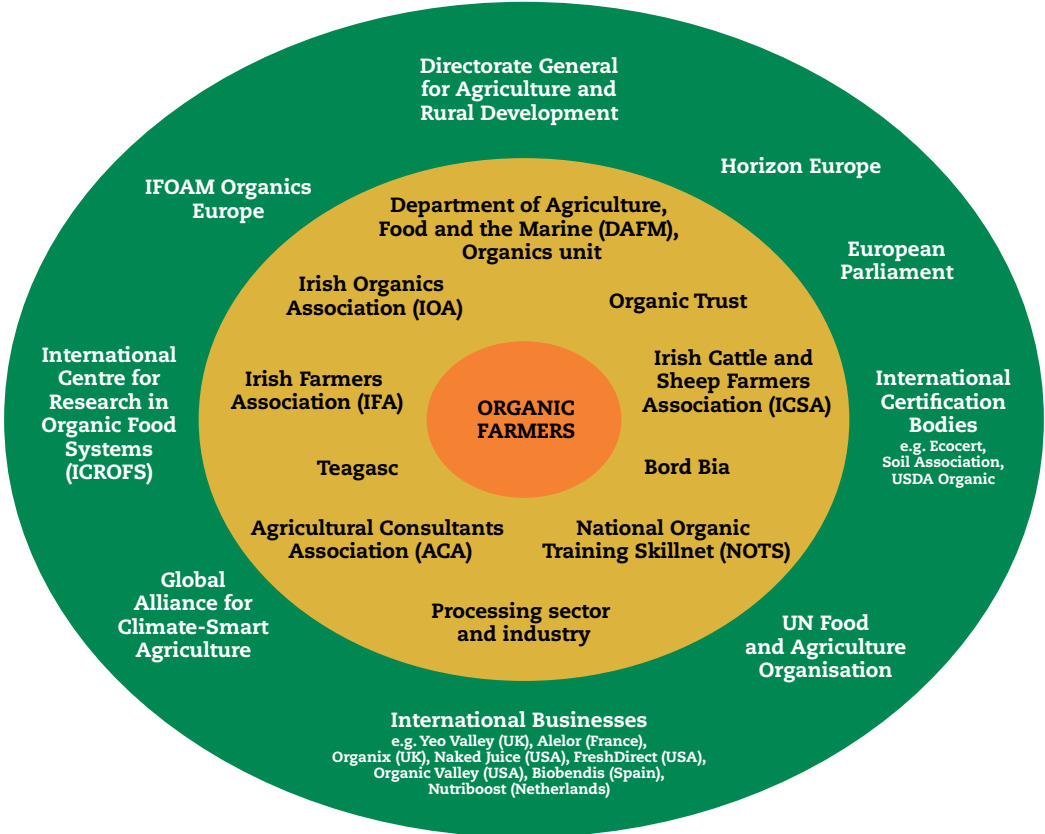
In 2024, an additional 1,050 farmers joined the OFS, bringing the total number of participants to over 5,000 and expanding the organic land area to 225,000 hectares, approximately 5% of the total farmed land in Ireland<sup>34</sup>.

This growth has been supported by significant financial investment under the Common Agricultural Policy (CAP) 2023-2027, with €256 million<sup>35</sup> allocated to support organic farming, a fivefold increase from the previous CAP period. In 2024, Ireland’s OFS budget was set at €62 million, a substantial 300% increase compared to 2022.

Additionally, the government introduced a 60% grant rate under the Targeted Agricultural Modernisation Scheme (TAMS 3) to support organic investments<sup>36</sup> by farmers in the Organic Farming Scheme. A separate €3 million allocation was provided for the Organic Processors Investment Grant, also offering a 60% grant rate. These measures highlight the increasing emphasis on expanding Ireland’s organic sector.

There is a large stakeholder network at a national and EU level who are involved in and influence the organic sector. Key stakeholders are illustrated in the graphic below.

**Figure 6: The organic stakeholder landscape**



34 [gov.ie](http://www.gov.ie) — All eligible new applicants accepted to the 2024 Organic Farming Scheme ([www.gov.ie](http://www.gov.ie))

35 [gov.ie](http://www.gov.ie) — McConalogue secures additional €158 million in Budget 2025 — €85 million in New Measures for Farmers ([www.gov.ie](http://www.gov.ie))

36 The government introduced a 60% grant rate under the Targeted Agricultural Modernisation Scheme (TAMS 3) to support organic investments.

## 4.2 Future plans for the organic sector in Ireland

In September 2024 the new National Irish Organic Strategy for 2024-2030 was launched by Minister Charlie McConalogue and Minister of State Pippa Hackett. The strategy outlines Ireland’s vision for the expansion of its organic sector, aiming to increase the percentage of land under organic farming to 10% by 2030. The strategy focuses on six key priorities and emphasises the importance of sustainability, biodiversity, and supporting rural communities. A core objective is to triple the wholesale value of organic output to €750 million by 2030, supported by increased funding and technical assistance. The six key priorities of the strategy are:

1. Supporting organic farming participation
2. Coordinating the value chain
3. Growing the domestic market
4. Driving export growth
5. Expanding public procurement
6. Boosting skills and support

The strategy also outlines a number of growth ambitions by sector, outlined below:

**Figure 7: National Organic Strategy targets**

National Irish Organic Strategy 2024 to 2030 Sector Targets	
<b>Increase total value of organic food from €200 million today to €750 million by 2030.</b>	
	Increase organic beef output to 12,000 tonnes by 2030 from 4,000 tonnes today.
	Increase organic sheep output from approx. 500 tonnes today to 3,000 tonnes by 2030.
	Double organic milk production by 2030 to 40 million litres from approx. 20 million litres today.
	Increase organic egg output to 53 million organic eggs annually by 2030, a 50% increase on 2022 production. Grow output of organic broilers and turkeys.
	Grow organic pork output through hospitality and direct sales.
	Double organic tillage area by 2030 relative to 2022.
	Organic horticulture could treble by 2030 if import reliance is reduced to less than 50%.
	Ireland is by far the leading producer of organic aquaculture in the EU with a 42% market share followed by Italy (16%) and France (8%).

The strategy mentions POs specifically where it states “There will be renewed focus on encouraging the formation of additional organic producer organisations across all sectors of farming including fisheries to better co-ordinate supplies of inputs and outputs. This is particularly important for linking store producers and finishers. Recognising the importance of strong co-ordinators, further support for producer organisations will be a key focus of DAFM”.<sup>37</sup>

<sup>37</sup> [www.gov.ie/pdf/?file=https://assets.gov.ie/305309/efc858ad-0c69-47ee-9c4a-73045c380168.pdf#page=null](https://www.gov.ie/pdf/?file=https://assets.gov.ie/305309/efc858ad-0c69-47ee-9c4a-73045c380168.pdf#page=null)

### 4.3 Challenges and opportunities facing the Irish organic sector

The Irish organic sector is well-positioned to capitalise on several key opportunities. One of the most promising is the positive positioning of organic farming in addressing growing environmental concerns. As consumers become increasingly focussed on sustainability, organic practices that limit chemical inputs and promote biodiversity are well-positioned to meet these demands, particularly in European markets. Europe's demand for organic produce offers significant export opportunities for Ireland, especially with our reputation for producing high-quality, sustainable food products. Ireland can leverage the "green" brand to further penetrate international organic markets. Dedicated EU promotional funding support aims to grow this market, such as the €2.7 million Bord Bia campaign aimed at promoting organic beef and lamb across four European markets between 2024 and 2026.

At farm level, there is growing openness among Irish farmers to consider organic farming driven by funding support, the potential for increased income through lower production costs, and higher market prices. Public procurement initiatives also provide opportunities to boost domestic demand, creating a more stable market for organic produce within Ireland.

Along with the opportunities, Irish organic agriculture faces numerous challenges that could hinder broader adoption and growth. Despite recent growth in the sector, it remains very small and fragmented relative to conventional agriculture. This leads to issues with high transport and processing costs, which can limit the scale of production.

The lack of centralised coordination often results in leakage of organic produce into conventional supply chains, especially in the livestock sector, where 84% of organic sheep products were sold into non-organic streams in 2020<sup>38</sup>. Weak links between producers, particularly between store livestock producers and finishers, exacerbate this issue. This fragmentation contributes to a sense of isolation among organic farmers and limits the trading of inputs and outputs, which affects both productivity and efficiency. This leakage limits the availability of organic produce for processors and consumers, contributing to the sense of uncertainty about market opportunities. The sense of uncertainty about organic production and organic markets persists, fuelled by the small scale and a very limited number of processors in the sector.

Distribution challenges are a significant hurdle for smaller suppliers trying to access markets. The business case for organic farming remains unclear to many farmers and they can be discouraged by strict regulations and compliance requirements that come with organic certification. Many are hesitant to undergo the conversion process, as they feel there is no clear financial incentive if organic prices do not consistently surpass conventional prices even as supply volumes grow.

The domestic market for organic produce is not as well developed as some other European markets which is a challenge for producers and processors. Awareness of the EU Organic Leaf label is relatively low among Irish consumers, despite being a growing segment.

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38 [Sheep — Body of work needed to prevent organic lamb leaking to conventional systems — Teagasc | Agriculture and Food Development Authority](#)



During stakeholder engagement, labour shortages and competition from cheaper imports, particularly from Spain, were concerns raised by some organic growers. Issues around the perception that organic farming is an “easy” option for semi-retirement was also raised as a negative impact on the sector. It was highlighted that this mindset can undermine efforts to improve productivity and efficiency among serious organic producers.

Finally, a lack of regional coordination and collaboration among organic farmers further compounds these challenges and a lack of data on the supply pipeline makes it difficult for processors. Greater cooperation and regional interactions could help build a stronger, more cohesive organic sector, but current efforts remain disjointed.

#### **4.4 How POs can contribute to Ireland’s organic sector**

POs could play an important role in strengthening Ireland’s organic agriculture sector, addressing many existing challenges and offering key opportunities for growth and sustainability, developing organic supply chains, from inputs all the way through to finished products.

A major contribution that POs can make is improving supply chain coordination. As outlined in Section 4.3 above, fragmentation and weak links between producers and processors are significant barriers to growth in the organic market. POs can reduce fragmentation by improved coordination, market access and better communication across the supply chain. By centralising data collection and dissemination, POs can offer more accurate insights into supply pipelines, helping processors and retailers manage demand more effectively, while reducing uncertainty about supply volumes.

Organic POs are in a unique position, as new organic farmers going through conversion must find a new route to market anyway. They will not have the same product as before becoming an organic farmer, and so will need a new buyer or new destination product line. This is a benefit for POs as it means that many will not have to leave their current buyer and make the switch to selling within the PO, they will need to look to new sales channels anyway. By joining a PO, producers who are new to organics can also get more access to market information.

By pooling resources and negotiating collectively, POs can increase the bargaining power of farmers. POs could also present a means to reduce transport and processing costs, which are often higher for individual organic farmers.

With EU promotional funding aimed at boosting awareness of organic products, POs can also play a critical role in increasing the visibility of Irish organic produce. This could drive greater consumer demand, both domestically and internationally, by promoting the benefits of organic farming. Export can be very difficult for individual farmers or growers to manage, however POs are better positioned to find international routes to market and negotiate with international buyers.

POs can promote research, innovation and collaboration within the organic sector and give farmers a platform to share best practices, knowledge on organic certification, and innovative production techniques. More information on this is outlined in Sections 5 and 6.

# 5. Barriers to POs in the Organic Sector

## 5.1 Regulatory challenges and administrative burden

Setting up a PO is a complex, time-consuming process, largely due to the regulatory framework governing POs. One of the major hurdles is understanding and navigating the legal requirements outlined under the EU's Common Market Organisation Regulation. Farmers looking to establish a PO must meet specific criteria, such as a minimum number of members and legal constitution, while also adhering to the particular regulations governing organic production. These criteria are outlined above in Table 1.

Running a recognised PO also involves significant administrative and paperwork requirements. Farmers already face a heavy burden related to organic certification and compliance, and adding the extra responsibilities of managing a PO can feel overwhelming. This perception of excessive bureaucracy often discourages engagement, especially among smaller producers who may lack the administrative capacity to meet these demands.

Despite awareness of there being legal and turnover requirements for POs, many farmers remain unsure of what exactly these requirements entail or how to access clear guidance. Stakeholder engagement consistently highlighted the administrative complexity as a major deterrent, particularly for small organic farmers, who may struggle with the added costs and requirements of forming or joining a PO.

The organic sector faces additional regulatory challenges, especially regarding membership thresholds. For example, dairy POs require a minimum of 20 active members. This would be more difficult for organic producers versus conventional producers given the volume of producers in organic dairying in Ireland. There would also need to be clear rules in the statute about whether members could join during conversion period. Regulatory updates such as allowing POs funding under schemes such as Organic TAMS, rather than only individuals, would also be beneficial for POs.

Without clear guidance on these regulatory requirements, many farmers feel overwhelmed by the bureaucratic hurdles, further discouraging them from taking part in POs. For POs to be viable in the organic sector, easier access to clear information will be essential.

## 5.2 Skills gap

One of the primary challenges identified in establishing and running organic POs in Ireland is a lack of specialised skills needed to manage them effectively. Stakeholder interviews indicate that organic POs require expertise beyond production, such as supply chain management, marketing, relationship management, and project management. For POs to thrive, they need individuals focussed on what happens after the farm gate, capable of handling relationships with processors, navigating commercial negotiations, and managing group dynamics effectively.

Many POs struggle with a lack of knowledge on collaborative approaches, legal frameworks, and market intelligence. Successfully managing a PO not only requires pooling resources but also developing strategic and management skills to improve efficiency and competitiveness. This includes the ability to negotiate contracts, manage finances, and plan long-term business strategies.

There is also a skills gap in digital technologies, logistics, and sustainable practices, which makes the efficient operation of a PO more difficult. These gaps are worsened by limited access to continuous learning and advisory services, which are essential for building the expertise needed to run a successful PO.

The absence of knowledge and leadership capacity can hinder an organic PO's effectiveness, limiting its ability to scale and compete with conventional agricultural operations.

### **5.3 Trust and partnerships**

Trust is a critical factor for the success of POs. This was evident both in stakeholder interviews and published literature. 'Having the right mix of farmers' was referenced in several stakeholder interviews. It was also raised that some farmers are reluctant to fully commit to formal structures, preferring individual relationships with buyers and processors, which weakens the overall cohesion of the PO.

Resistance to change and fear of the unknown are significant barriers for organic farmers when it comes to forming or joining POs. Farmers are often concerned about the risks associated with shifting from individual sales to a collective model, fearing a loss of control or financial risk.

A key challenge is the lack of clear rules of engagement within POs. Without well-defined roles, responsibilities, and decision-making processes, misunderstandings and mistrust can arise among members. Unclear rules can create confusion about how finances are managed, who makes decisions, and how collective marketing efforts are organised. This lack of clarity can discourage members from fully participating or investing in the group, and it can allow bad actors to exploit the system. In extreme cases, people in leadership positions or with more knowledge could manipulate processes for personal gain, resulting in resentment and mistrust among other members. This can erode trust and, in severe cases, lead to the collapse of the entire organisation.

When POs lack transparency in financial dealings — such as sharing sales prices, fees, or payment timelines — members lose confidence in the leadership. This can lead to farmers bypassing the PO and selling independently or leaving the group.

### **5.4 PO Economics and financial risk**

The financial risk associated with setting up and maintaining a PO can be a major barrier. While funding is available for the initial establishment of POs, farmers may hesitate to commit due to uncertainty surrounding ongoing operational costs. Without guaranteed returns, many are reluctant to shoulder the administrative and financial burdens of running a PO. POs must be economically viable and sustainable beyond initial funding, but fluctuating prices and inconsistent supply — particularly in the organic sector — can make this difficult. Farmers are often wary of the additional responsibilities without clear financial benefits.

A common issue is a lack of understanding around the full costs involved, including legal, administrative, and operational expenses. Many farmers underestimate these expenses, which can lead to poor financial planning. For a PO to run effectively, it typically requires a paid coordinator to manage communication, logistics, and commercial activities.

This staffing cost must be factored into the financial planning and economics of the PO. In the organic sector, where a price premium is often expected, farmers need to see tangible financial rewards for participating in the PO to justify their involvement.

One of the primary activities of a PO can be joint processing, but the economics of this are particularly challenging. Significant investment may be required for premises, equipment, and storage facilities. Without substantial upfront capital, it can be difficult for a PO to get joint processing operations off the ground, making it riskier for farmers who are already financially stretched.

Another financial risk arises when POs make collective investments or purchase inputs. There is concern about what happens if a member defaults on payments — would the other members be forced to cover the shortfall? These scenarios introduce further financial uncertainty, which can deter farmers from joining or staying in a PO. It is important that the PO addresses this in their internal governance structure and terms in its statutes.

Most farmers consider joining a PO primarily for the financial benefits, especially in terms of higher output prices. However, as outlined earlier in this document, there are numerous non-financial benefits to joining a well-functioning PO, such as improved market access and shared resources. If the value of the PO — including financial and non-financial benefits — is not clearly communicated to members, farmers may struggle to see the justification for joining or remaining as part of the group.

## **5.5 Supply availability and organic market dynamics**

The organic market in Ireland is very small compared to the volume and value of conventional produce. For POs to negotiate better prices, they need to secure a consistent and reliable supply of organic products. However, the limited scale of organic production in Ireland makes it difficult for organic POs to aggregate the volume needed to negotiate favourable deals with processors or retailers.

Some stakeholder interviews highlighted the imbalance of power between POs and processors, who often have more leverage in price negotiations. In some sectors, processors are reluctant to work with POs, preferring to deal with individual farmers. This reluctance weakens the bargaining power of the PO and further fragments the supply chain. In some cases, processors may resist POs. On the flip side, there are also examples of processors, aggregators, and retailers, working very well with POs and buying from them.

The small scale of organic farming exacerbates these difficulties, making it challenging for organic POs to meet the critical mass required to secure long-term contracts or stable prices. Without this, POs struggle to provide reliable volumes, which are necessary to maintain consistent supply to larger buyers.

Consolidation is another key issue in some sectors. In sectors such as beef, the supply chain has become highly consolidated, with many small abattoirs and butchers no longer in operation. This consolidation has removed some potential partners for POs, making it harder to negotiate favourable terms. Smaller players in the supply chain, who might have been more willing to work collaboratively with POs, are now limited.

Overall, the limited supply of organic products and the consolidated processing market make it difficult for POs to gain leverage, form strong partnerships, and operate successfully in the organic sector.

## 5.6 Scale limitations

Smaller organic farmers face significant challenges when attempting to participate in POs. Many lack the financial resources and regulatory knowledge needed to meet PO requirements, which creates barriers for those who would benefit most from collective power. Small-scale operations often can't justify the investments in machinery or infrastructure needed to expand, and navigating the paperwork and regulatory compliance for organic certification adds to this burden.

In the organic sector, these challenges are compounded by the difficulty of meeting membership thresholds to form a PO. POs in dairy, beef, or sheep sectors require 20 members, while fruit and vegetable POs need 5 members meeting specific turnover requirements. The smaller scale of organic farms compared to conventional farms makes it harder for organic producers to meet these criteria.

Additionally, smaller, agile producers — who often grow a diverse range of products — can be overlooked in the broader PO structure. They face financial and other barriers that make it difficult to participate fully.

The scale limitations within POs can exclude small organic farmers, despite their potential to benefit from collective action.

## 5.7 Outside selling

A recurring challenge faced by POs that came up in stakeholder engagement was the issue of outside selling, where members sell outside the PO in favour of higher prices. Several instances of this where farmers, enticed by slightly better prices from external buyers, sold outside the PO or left the PO were mentioned in the course of stakeholder interviews. This undermines the collective strength of the PO and often leads to its collapse. In one anecdotal example a PO operated for 4-5 years but ultimately folded because a company in Northern Ireland offered 5 cents more per kilogram, causing farmers to defect to the new buyer. This illustrates how short-term financial incentives can destabilise POs, where loyalty to the collective is critical for long-term success.

This behaviour, where farmers jump ship for marginal gains, weakens the bargaining position of the PO. POs rely on the consistent participation of their members to secure better prices, reduce costs, and negotiate more favourable terms with processors and retailers. When members leave, it not only reduces the volume and consistency of supply but also signals to buyers that the PO lacks unity, further undermining its negotiating power.

Farmers often face immediate pressures to maximise income, and the temptation to sell independently for slightly higher returns is understandable. Maintaining loyalty and commitment among members is one of the biggest challenges POs face.

# 6. Opportunities for POs in the Organic Sector

## 6.1 Establishment of a PO hub

As outlined above, the process of setting up or joining a PO is often complex, with a lack of clear, accessible information and is confusing to producers. Currently, much of the guidance is sector-specific, such as for dairy or beef and sheep, and difficult to digest. A centralised PO hub, with a dedicated person responsible for driving it, could provide a solution, consolidating all relevant information in one easily accessible place. This resource could offer information and supports, contact details for support, host information sessions, and provide clear guidance on the steps needed to establish or join a PO.

A cross-sectoral PO hub would be particularly beneficial to the organic sector. Many of the regulatory challenges faced by organic producers, such as scale limitations or restrictions on grants like TAMS (which currently supports individuals but not groups), could be flagged and addressed collectively by a larger, cross-sectoral group. By working together with the PO hub coordinator, producers could advocate for regulatory changes that better reflect the needs of organic farmers and POs, improving access to funding and support.

A valuable addition to this hub would be a PO handbook tailored to organic producers that clearly lays out, step by step, what is required to establish a PO. This could be tailored to organics with overall requirements and then split out by sector. The PO handbook would walk interested parties through the process making it clear and understandable. The handbook could include:

- How to set up as a legal entity if not already complete
- Funding available and how to access it
- Instructions and template for clear rules of engagement
- Dispute guidelines and agreement
- Statute template and how-to guide
- Application instructions
- DAFM approved PO facilitators for legal and general advice

The PO hub could also offer training support. Research shows that training programs focussed on the benefits of collective marketing and improved communication increase trust in POs in some regions by 10-15 percentage points<sup>39</sup>. These programmes, particularly when both leaders and members participate, foster transparency, coordination, and long-term trust, reducing the risk of defection.

A PO pilot scheme could also be introduced through the hub or through existing bodies such as NOTS (National Organic Training Skillnet). This would allow producers, particularly those involved in informal groups, to test the concept of a PO. By participating in workshops on how POs function and how they could benefit from collective action, farmers could alleviate their concerns and explore the value of formalising their collaboration.

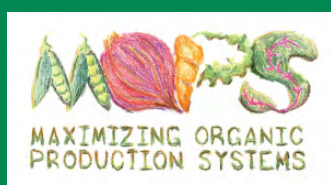
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<sup>39</sup> [Building trust in rural producer organizations: results from a randomized controlled trial | Agricultural and Resource Economics Review | Cambridge Core](#)

## 6.2 Coordination

Improved consistency, coordination, and visibility of supply available repeatedly came up in stakeholder engagement as an opportunity that could be fulfilled by POs in the organic sector. By consolidating efforts under a unified framework, POs can streamline the supply chain, ensuring that producers work together to meet market demand more efficiently. This would not only enhance supply chain transparency but also strengthen relationships between producers and buyers, leading to more predictable pricing and supply commitments.

For POs to be effective in this role, they must rely on accurate data and regular communication. Understanding on-farm production, including what animals or crops are in production, what the expected yield is and when they are due to be ready for market, is crucial. If this is done effectively, consistent supply can extend product availability, improve quality control, and achieve stronger market positioning. POs could help to fill gaps in the supply chain, especially when external markets face disruptions such as times of poor yields. In such instances, Ireland's organic sector could step in to fill supply gaps, boosting the country's competitive position.



The Maximising Organic Production Systems (MOPS) project provides an example of how effective coordination can improve outcomes for organic producers. Running from 2018 to 2021, the project involved 11 certified organic vegetable and fruit producers in Ireland who worked together to develop optimised cropping systems and ensure a consistent supply to meet market demands. They planted based on data and cropping plans and pooled resources, coordinated production, and synchronised their planting schedules. This collective action led to a 112% increase in sales, from €3.8 million to €8.2 million, and a 40% increase in cropping area. The farmers also extended their supply windows, increasing market availability and competitiveness. For example, the supply window for brassicas was significantly extended.

POs also help to address information asymmetry, where producers may lack access to the same market data as buyers, limiting their bargaining power. By improving data collection and communication, POs can ensure producers have better insights, which strengthens their ability to negotiate more effectively.

A central coordination system, supported by communication tools like WhatsApp groups, can be instrumental in maintaining up-to-date information about production, quality, and quantity. The success of the MOPS project demonstrates the potential for extending crop availability and improving efficiencies when farms coordinate and work collectively. Integrating such strategies into the PO hub with somebody focussed on driving this, could aid fragmented supply chains to become well-organised networks.

A dedicated person, and the PO hub, could work with organic POs to help them set up effective systems that will enable them to forecast, track and communicate produce volumes. Effective systems could include templates, process maps, or even an app available to PO members that could allow producers to input volumes and forecasts. This is important as it

is an area that many people understand is a key area for POs but sometimes the means of executing it can be too manual or improvised.

Many POs will require a paid coordinator to work with them part time. Setting up systems that will improve the efficiency and automation of tracking data and information, as well as forecasting, would significantly reduce the cost and time taken for coordination activities.

### 6.3 Communication, transparency and knowledge sharing

Effective communication and transparency are fundamental to fostering trust, encouraging active participation, and maintaining the unity of a Producer Organisation (PO). In the organic farming context, where small producers must collaborate to compete in larger markets, trust and buy-in from members are critical for sustaining cohesion and achieving shared goals.

Studies show that trust within POs is significantly enhanced when there is transparent leadership and open information-sharing systems. POs that communicate clearly about financial matters, market opportunities, and the collective benefits of participation, tend to see higher member engagement and loyalty. Research indicates that transparent decision-making processes and clear communication channels reduce conflicts and misunderstandings, leaving members feeling more connected and valued within the organisation.<sup>40</sup>

Establishing a community of practice, where farmers come together to share knowledge, experiences, and best practices can give members a platform to engage with each other. Regular meetings, structured communication, and knowledge-sharing platforms allow members to develop trust while fostering a sense of community. In rural areas, where many farmers already know each other, formalising these relationships within a PO can help to strengthen ties and foster deeper engagement. The graphic below illustrates some key elements that should be in place to promote trust and transparency.

**Figure 8: Promoting trust and transparency in POs**

Clear Rules of Partnership	Structured Communication Channels	Regular and Transparent Financial Reporting
Establishing clear roles, responsibilities, and decision-making processes reduces ambiguity and helps members understand their place within the organisation.	Establishing systems such as WhatsApp groups, newsletters, or in-person meetings helps maintain engagement and allows for easy sharing of important updates on production, markets, and prices.	Sharing details about the PO's financial health, sales data, and expenses fosters transparency and trust.

<sup>40</sup> [Building trust in rural producer organizations: results from a randomized controlled trial | Agricultural and Resource Economics Review | Cambridge Core](#)



Leveraging pre-existing informal groups, such as local farming networks, could be an effective way to transition into formal POs. These groups can evolve more easily if members clearly understand the benefits of collective action, such as better market access, price premiums, or reduced costs through shared resources. The buy-in from members is crucial, and facilitators should articulate the long-term advantages of working together to encourage participation.

When facilitators are involved in setting up POs, they should be well-briefed on the group's history, challenges, and opportunities. Their local knowledge and understanding of group dynamics help bridge gaps in communication, build trust, and maintain cohesion.

## 6.4 Marketing and branding

A key advantage of POs is their ability to centralise and manage marketing efforts, reducing the burden on individual farmers. For many organic farmers, marketing is a time-consuming and complex task, particularly in the world of social media. POs can bring specialist marketing expertise, streamlining efforts to reach larger audiences while allowing farmers to focus on production. This is particularly important as marketing techniques and platforms evolve, with some farmers finding it difficult to stay updated with trends and algorithms.

To further reduce the burden, APOs are well placed to conduct marketing campaigns on behalf of certain sectors. This was illustrated in the CuTE (Cultivating the Taste of Europe) Solar campaign by APROA which was highlighted in Section 3.

Marketing and branding are also vital for the image and reputation of the PO itself and appealing to new PO members. Communicating the benefits of being part of the PO and highlighting all of the non-financial benefits is necessary for success. There is also a certain element of 'walking the talk' needed in the branding of POs, if a PO is telling members and potential members that a higher level of marketing is a membership advantage, they need to have a good website and high-quality collateral to demonstrate this.

## 6.5 Transport

Efficient and coordinated transport solutions reduce costs and enhance market access by enabling farmers to pool resources, ensuring that produce reaches markets or processing facilities in a timely and cost-effective manner. POs can address logistical challenges by consolidating transportation efforts, making it easier and more affordable for farmers to distribute their goods. This system also ensures that smaller producers, who may not have access to transport infrastructure, can still participate in larger markets.

APOs are also a good transport option as they can set up centralised collection points on a wider scale where members can deliver their produce. From these points, the products are transported collectively to processing facilities or markets, reducing individual transport costs and increasing the efficiency of supply chain logistics.

Organic POs could similarly benefit from establishing regional pick-up points, such as at local marts, where farmers can safely and securely deliver their produce. These central hubs would act as key points of coordination, making it easier for farmers to participate in markets without needing their own transport solutions.

In addition to being cost-effective, this approach fosters stronger community ties by creating a collaborative transport network that serves the interests of multiple producers.

## 6.6 Research and development

Research and Development (R&D) is another area where POs can contribute. POs are well positioned to play a key role in advancing research by collaborating with research organisations, universities, and NGOs. Through this approach POs can drive innovation, helping their members access new technologies, practices, and insights.

A notable example of R&D collaboration among organic farmers is the MOPS project referenced in Section 6.2. This project brought together a group of organic producers who worked with the IOA to optimise organic cropping systems. Through their collective effort, the participating producers saw significant improvements in efficiency and crop yields. This project illustrates the potential of bringing together groups of farmers to facilitate impactful R&D initiatives.



East of Scotland Growers, a Scottish co-operative and PO was established in 1987 and produces broccoli and cauliflower as well as other vegetables. The PO places significant focus on R&D in brassica production and invests heavily in new varieties, innovative production techniques, new product development and environmentally sustainable practices. East of Scotland Growers manage and monitor over 300 trial plots every year and include variety trials, crop trials, product handling trials and more.

The PO has also invested heavily in high humidity cold stores, aiming to ensure that all East of Scotland Growers' produce is in a cold store within 60-120 minutes of harvesting. Collectively the members have approx. 1,000,000 cubic feet of cold storage facilities.

Initiatives like these can help POs not only solve immediate challenges but also position themselves and their members for future growth. If individual POs are too small to conduct R&D, it may be a good opportunity for several POs to work together in an APOs.

## 6.7 Processing

Joint processing may present opportunities for POs, particularly in packaging, processing, and scaling up production for certain sectors. While it may be more challenging to implement joint processing in the beef and dairy sectors, due to the significant investment required in facilities, it is more feasible for fruit and vegetable producers. This approach is especially beneficial for small-scale organic farmers, for whom access to essential processing capabilities — such as sorting, packing, or other forms of product preparation — can be a significant barrier to growth.

Without access to these facilities, small producers may struggle to supply even local shops, or meet larger market demand, thus limiting their growth potential. By pooling resources through a PO, farmers could access shared processing infrastructure, offering a more affordable and scalable route to market without having to bear the financial burden of independent investment in expensive machinery and facilities.

Providing access to joint processing and packaging services can also improve the quality and consistency of products, making it easier for POs to secure larger contracts with retailers, restaurants, or wholesalers. These improvements in product quality and uniformity help establish trust with buyers, ensuring consistent supply that meets market standards.



ABB Marketing Ltd. is a UK PO operating as a PO since 1996 marketing English apples, pears, plums, damsons, cherries and blackcurrants. The PO has 8 members located in Kent and East Sussex. Each member has access to joint sales and marketing as well as knowledge sharing and pooling of expertise. Working collectively has given members the ability to serve markets and customers not available to individual farmers.

The PO has 3 packhouses, all with BRC accreditations and food safety management systems in place. They also have strategically located Controlled Atmosphere (CA) and Dynamic Controlled Atmosphere (DCA) storage facilities available for members.



Additionally, collaborative processing can enhance sustainability within the organic sector. By sharing resources and infrastructure, POs can help reduce food waste, improve logistics, and make more efficient use of equipment. This approach ensures that more small-scale producers can contribute to the supply chain, thus increasing the volume and variety of organic products available to consumers. In this way, POs not only support the economic sustainability of their members but also contribute to the broader sustainability goals of the organic sector.

## 6.8 Shared purchasing

Linked to the idea of joint processing and investment in equipment, is shared purchasing for inputs in a PO. Shared purchasing offers an opportunity for organic POs to reduce input costs and enhance supply chain efficiency. By pooling resources and coordinating purchases of essential supplies like straw, feed and seed, POs can lower costs for individual members while improving access to high-quality, organic inputs. This model is particularly beneficial for small-scale organic farmers, who often face challenges in securing affordable, locally sourced inputs.

One of the primary advantages of shared purchasing is the economies of scale it provides. Organic inputs can be expensive and difficult to obtain in small quantities. By organising bulk purchases, POs can negotiate better prices from suppliers and ensure a consistent supply of inputs for their members. For example, a PO might purchase grain or feed in bulk from organic tillage farmers in the east or midlands and then distribute it in smaller quantities to members in the west, where demand for organic feed is higher.

A key aspect of this opportunity is the ability to support Irish organic tillage farmers by prioritising local, organic inputs. Instead of relying on imports or conventional inputs, POs can create more resilient supply chains by focusing on purchasing from within the Irish organic sector. This not only strengthens the domestic market for organic products but also contributes to the overall sustainability of the sector by reducing the carbon footprint associated with importing goods.

In addition to cost savings, shared purchasing can offer logistical advantages. Members of a PO can take advantage of centralised storage or pick-up points, which can serve as hubs where farmers collect the purchased inputs. This reduces the burden on individual farmers to manage transportation and storage of large quantities, making the process more accessible.

One example of such collaborative purchasing is the Organic Trading Hub, which provides a central platform to advertise buying and selling of organic products. It was mentioned in the stakeholder engagement that the hub is seen as a promising model for coordinating shared purchasing and distribution.

## 6.9 Machine and labour sharing

Machinery and labour sharing came up several times during stakeholder engagement as an opportunity for organic POs, particularly in the horticulture and tillage sectors. For small-scale producers, purchasing specialised machinery outright is financially prohibitive. However, through a PO, farmers could share access, reducing individual costs while ensuring access to the tools they need at critical times during the growing season.

For organic POs, coordinated machinery sharing would not only reduce costs but also help improve the overall efficiency of the organic farming process. The logistics of sharing machinery — ensuring it is available when needed and properly maintained — would need to be managed centrally by the PO, ensuring smooth operations.

In some markets such as France, machinery sharing is a common practice. CUMA (Coopérative d'Utilisation de Matériel Agricole) cooperatives in France have helped over 200,000 farmers reduce machinery costs by pooling their resources. By sharing equipment like tractors, harvesters, and other essential machinery, CUMA members typically save between 5-15% on mechanisation costs. Farmers also gain access to up-to-date technology

and benefit from risk-sharing within the cooperative. This has allowed smaller farms to remain competitive by improving productivity and financial sustainability.<sup>41</sup>

Labour sharing cooperatives for agricultural production are common in France, Germany and Italy. Many of these cooperatives focus on providing labour to small farms, especially in busy times. This was another opportunity that was raised during stakeholder engagement.

## 6.10 Organic hill lamb PO

The challenges facing the organic hill lamb sector were frequently highlighted during stakeholder engagement. It was noted that these issues could pose significant difficulties for the growth of organic farming and could potentially be mitigated through the formation of a PO.

Opinions on the best course of action varied. Some stakeholders recommended stronger links between hill farmers in the West and organic finishers in the East, suggesting that lambs could be finished to factory weight by Eastern finishers, keeping them within the organic supply chain.

Others, however, felt that lambs should remain in the West and be finished locally by farmers specialising in this process, with support from an organic hill lamb PO to aid coordination.



41 [Experiencing diversity within French farm machinery cooperatives: member heterogeneity and cooperation \(inrae.fr\)](https://www.inrae.fr/en/actualites/actualites/2019/09/experiencing-diversity-within-french-farm-machinery-cooperatives-member-heterogeneity-and-cooperation)

# 7. International Best Practice

## 7.1 Organic Arable (UK)

Founded in 1999, Organic Arable is a UK-based PO that supports organic arable farmers by providing market access, technical advice, and coordination of organic grain sales. Established to address the challenges faced by organic grain producers, the cooperative pools resources from small and medium-sized farms, helping them to achieve economies of scale and secure better prices for their products while also sharing knowledge and maximising yields. Organic Arable have an interesting model where there are two tiers of membership, in full membership the member sells all of their production through the PO and in the second-tier members sell only some of their production through the PO. Members who do not sell all production through the PO pay a higher commission rate on volume sold. The commission charged is transparent, both the buyer and farmers know the transaction costs which facilitates communication along the supply chain.

### Mission and Goals

The mission of Organic Arable is to support the organic sector by helping organic farmers sow, grow, and sell high-quality grains in a sustainable and ecologically positive way. They focus on increasing returns for farmers and investing in research to support organic cereal production. As the UK's only specialist organic grain business, Organic Arable is dedicated to fostering long-term relationships with farmers, providing technical support, and ensuring their members align with sustainable agricultural practices.

### Key Activities

- **Market Access:** The PO facilitates the sale of organic cereals and pulses to buyers. This helps farmers reach broader markets while ensuring consistent demand for organic products.
- **Agronomic Support:** Organic Arable offers technical advice on organic crop management, helping farmers implement practices such as crop rotations and organic pest management.
- **Logistics and Supply Chain:** The organisation manages logistics to ensure efficient transport from farm to buyer.
- **Sustainability Focus:** Organic Arable promotes organic farming methods that protect the environment, which is a core mission of the organisation.
- **Sourcing:** The PO sources seed for their members and provide advice on selecting suitable crops and varieties to meet market demand.
- **R&D:** Organic Arable also invests in research and development (R&D) by allocating a portion of their profits each year into research aimed at improving organic cereal production, supporting both the sustainability and growth of the organic sector.

Figure 9: Organic Arable key figures



Source: Organic Arable<sup>42</sup>

## 7.2 Biolait (France)

Biolait is a French PO and cooperative dedicated to organic milk production. Biolait was founded in 1994 by 6 farmers in the West of France. Established with the primary aim of uniting organic dairy farmers under a single network, Biolait has grown to become a pivotal player in the French dairy industry and now represents over 1,200 farmers and 30% of organic milk collection in France. Biolait offers members the means to pool their resources, achieve better market positioning, and secure fair prices for their products. Biolait's focus extends beyond financial gain, emphasising sustainability and the well-being of members and their communities.

### Mission and Goals

Biolait's mission is to:

1. Collect organic milk all over France.
2. Guarantee a stable, identical price for all farmers.
3. Develop a fair and transparent supply chain from producers to consumers.

### Key Activities

**Market Facilitation:** Biolait manages the sale of organic milk to processors and distributors, enabling farmers to access larger markets with consistent demand and stable pricing structures.

**Technical Assistance:** Biolait offers expert advice on organic dairy farming practices, including feed management, animal welfare, and sustainable farm operations, helping members to optimise their production.

**Logistics Coordination:** Biolait handles the collection and distribution of milk, ensuring efficient routes that align with their environmental objectives to minimise carbon footprints.

42 [Home](#) | [Organic Arable](#)

**Sustainability Initiatives:** The cooperative promotes ecologically sound farming techniques, supporting biodiversity and reducing the use of chemical inputs to preserve the land's health for future generations.

**Member Engagement:** Members have a voice in the organisation and vote on any strategic or political decisions. The member network of likeminded, engaged farmers is also promoted as a reason to join, along with knowledge exchange at producer meetings.

Figure 10: Biolait France





## 7.3 APO Conerpo (Italy)

APO Conerpo is one of Italy's largest Associations of Producer Organisations (APOs), established over 50 years ago in Emilia-Romagna. It represents over 6,000 farmers across Italy through various smaller Producer Organisations (POs) focussed on fruit and vegetable production.

### Mission and Goals

APO Conerpo's mission is to ensure a fair income for its members, promote sustainable agricultural practices, and respond to the increasing demand for organic and high-quality produce. It seeks to enhance the value of Italian produce through innovation and collaboration. Its strategic goals include strengthening the competitiveness of its members, improving market access, and enhancing environmental sustainability in agricultural processes. The APO aims to support the modernisation of production and logistics, ensuring high product standards.

### Key Activities

**Collective Marketing and Distribution:** APO Conerpo manages the marketing and distribution of members' produce across Europe, ensuring broad market access.

**Sustainability and Organic Focus:** It prioritises environmentally friendly practices, supporting organic farming and innovative agricultural techniques.

**Member Support:** The APO offers financial and technical assistance to its members, investing in modernising production, improving logistics, and driving innovation for long-term sustainability.

Figure 11: APO Conerpo structure



## 8. Conclusion

This feasibility study has examined the potential role of POs in enhancing and supporting Ireland's organic agricultural sector. As Ireland strives to meet ambitious national and EU targets for organic farming, POs emerge as a promising mechanism to address many of the challenges facing the sector.

The organic sector in Ireland is at a critical juncture, experiencing significant growth but also grappling with substantial challenges. These include supply chain fragmentation, limited processing capacity, inconsistent market demand, and the persistent issue of organic leakage into conventional supply chains. This study has highlighted that, while POs have the potential to mitigate many of these issues by improving supply chain coordination, increasing bargaining power, and reducing costs for farmers, they are not a panacea for all of the sector's challenges.

Our research has identified several barriers to the success of POs in the organic sector, including regulatory complexity, lack of specialised skills, trust issues, and financial risks. However, we have also uncovered significant opportunities, such as improved supply coordination, joint marketing efforts, shared resources, and collaborative research and development.

The recommendations put forth in this study provide a roadmap for fostering the development of organic POs in Ireland. Key among these are the establishment of a centralised PO hub, the development of a comprehensive PO handbook, and the implementation of targeted training programmes. These initiatives, coupled with investments in digital tools, exploration of joint processing facilities, and support for shared resource schemes, have the potential to significantly enhance the viability and effectiveness of organic POs.

It is clear that the success of organic POs will depend on a collaborative effort from all stakeholders in the sector. Policymakers, industry bodies, researchers, and farmers themselves all have crucial roles to play in creating an environment where POs can thrive. The experiences of successful organic POs in other countries provide valuable lessons and inspiration for the Irish context.

While challenges remain, the potential benefits of well-functioning organic POs for individual farmers, the organic sector, and the broader Irish agricultural landscape are substantial. By facilitating greater cooperation, efficiency, and market power, POs can help to create a more resilient, sustainable, and profitable organic farming sector in Ireland.

As we look to the future, it is evident that POs have a significant role to play in realising Ireland's organic farming ambitions. However, their success will require ongoing support, adaptation, and commitment from all involved. With the right approach and resources, organic POs can become a cornerstone of a thriving Irish organic sector, contributing to the country's agricultural sustainability, environmental targets and economic success.

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