

## European organic farming policies – an evaluation of recent experiences

Organic Producers' Conference, Birmingham  
18 January 2012

### Policy support for organic farming in Europe

1980s	Single conversion payments in DK, DE, FR, LU → <i>Reduction of oversupply</i>
1994	Single conversion and maintenance payments → <i>Environmental performance</i>
Since late 1990s	Policy mix → <i>Expansion of organic farming</i>

## **Policies supporting organic farming**

- **Rural development policies**
  - **Axis 2 measures (Environment)**
    - Organic area payments
    - Agri-environmental on-top payments
  - **Axis 1 measures (Competitiveness)**
    - Investment support
    - Marketing support
    - Certification support
- **CAP Pillar 1**
  - Article 68 measures
  - Contributions to CMO of the fruit & veg sector
- **Other national or regional policies**

3

**RDP – Axis 2 measures (agri-environment)**

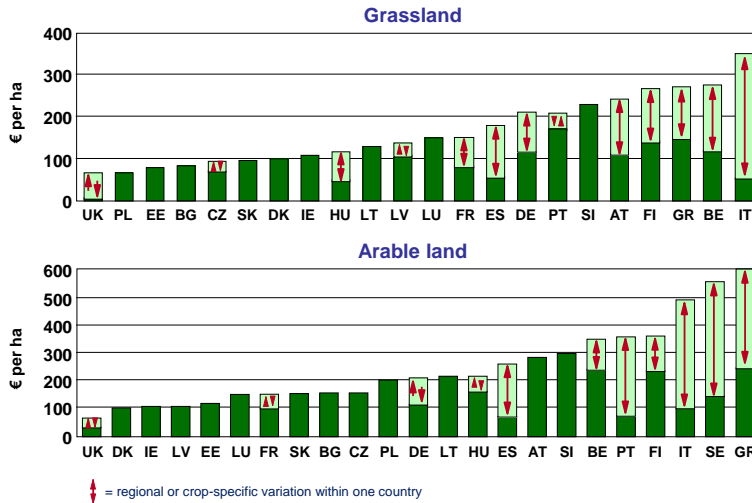
**RDP – Axis 1 measures (competitiveness)**

**CAP Pillar 1 measure (Article 68, CMO top-ups)**

**Other national/regional measures**

4

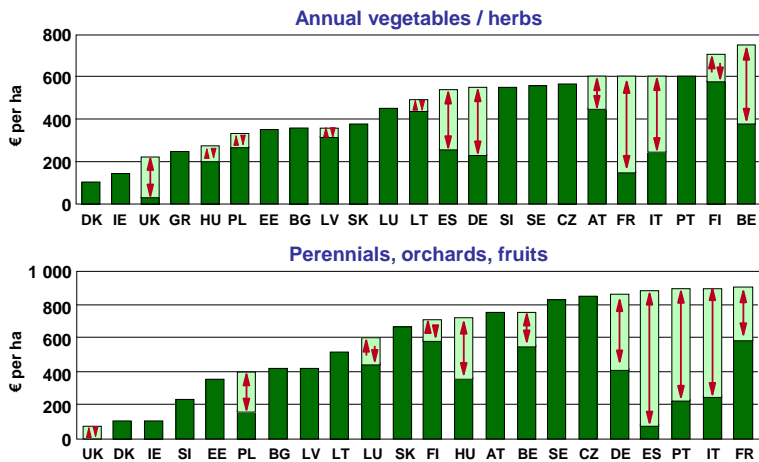
## Maintenance payments in EU Member States (2009, grassland and arable land)



Source: Schwarz et al., 2010

5

## Maintenance payments in EU Member States (2009, annual vegetables/herbs and perennials, orchards, fruits)



Source: Schwarz et al., 2010

6

## Further regulations: Payment limits, degression and stocking rates

Country	AT	BE	DE	DK	ES	FI	FR	GR	IE	IT	LU	NL	PT	SE	UK
Limit															
Maximum limit (size or amount)	ü	-	ü	-	ü	-	ü	-	-	ü	-	na	-	-	ü
Minimum limit (size or amount)	ü	-	ü	ü	ü	ü	ü	ü	ü	ü	-	na	ü	ü	ü
Payment degression	ü	ü	-	-	ü	-	-	-	ü	ü	-	na	ü	-	-
Stocking rate	Min	-	ü	ü	-	ü	ü	-	ü	ü	ü	na	-	-	-
	Max	-	-	ü	-	ü	-	-	ü	-	ü	na	-	ü	-

Country	BG	CZ	EE	HU	LT	LV	PL	RO	SI	SK
Limit										
Maximum limit (size or amount)	-	-	-	ü	ü	-	-	nd	-	-
Minimum limit (size or amount)	ü	ü	ü	ü	-	ü	ü	nd	ü	ü
Payment degression	-	-	-	-	-	-	ü	nd	-	-
Stocking rate	Min	-	ü	ü	ü	-	ü	-	nd	ü
	Max	-	ü	-	-	-	-	-	nd	-

ü = yes, - = no

Source: Schwarz *et al.*, 2010

7

## Further regulations: Management requirements

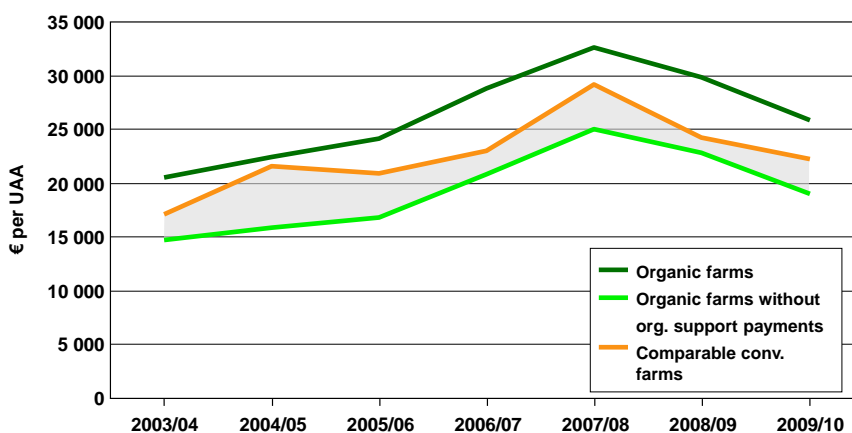
- Substantial variations / most frequent reported additional requirements:
  - Training
  - Reduced application of N-fertilizer
  - Cut or grazing frequency and timing on grassland
  - Restrictions of irrigation and melioration
  - Harvesting and selling of crops
- Additional requirements are not necessarily reflected in higher payment rates

Source: Schwarz *et al.*, 2010

8

## Importance of organic support payments in Germany

Profits plus wages per AWU (with and without organic support payments)



Source: Own calculation based on FADN data, Yr. 2003/2004 – 2009/2010.

9

## Combination with other agri-environmental measures

- Focus on agri-environmental themes:
  - Traditional crop types and local/ endangered livestock races
  - Grassland management and biodiversity and wildlife options
- Mandatory combination with basic AEMs in FI and EN
- No combination: BG, ES (regions), IT (regions), LT

Source: Schwarz et al., 2010

10

**RDP – Axis 2 measures (agri-environment)**

**RDP – Axis 1 measures (competitiveness)**

**CAP Pillar 1 measure (Article 68, CMO top-ups)**

**Other national/regional measures**

## **RDP – Axis 1 measures**

- **Modernisation of agricultural holdings**
  - e.g. higher investment grants to organic farmers in North Rhine-Westphalia (DE)
- **Adding value to agricultural and forestry products**
  - e.g. higher evaluation points for projects related to organic farming in CZ
- **Participation of farmers in food quality schemes**
  - e.g. refund of certification and inspection cost in Wales
  - *Other approaches: Axis 2, Article 68, certification free of charge*

RDP – Axis 2 measures (agri-environment)

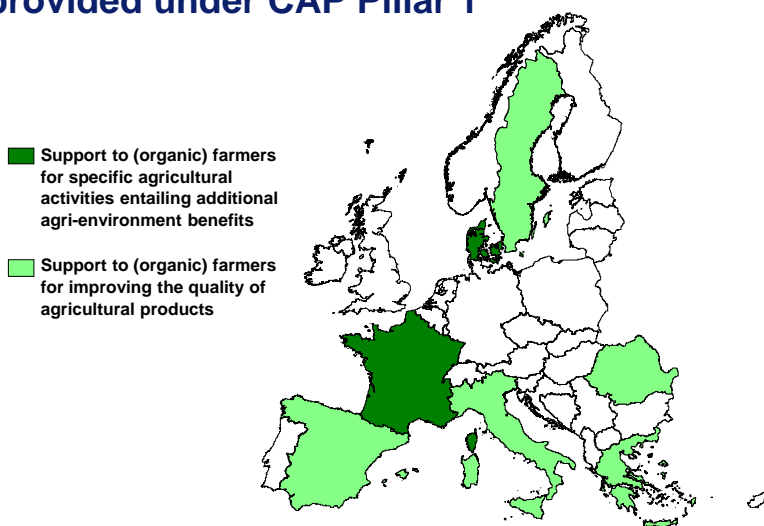
RDP – Axis 1 measures (competitiveness)

CAP Pillar 1 measure (Article 68, CMO top-ups)

Other national/regional measures

13

## Article 68 measure – Specific support to farmers provided under CAP Pillar 1



Source: Own presentation based on EC (2010). 14

## **EU support to organic farming measures under the fruit and vegetable regime (CMO top-ups)**

- **Financial support to producer organisations (PO) that have adopted environmental action**
- **Organic farming counts as an environmental action**
- **Community co-financing rate for organic production in operational programmes of POs is 60% of the eligible costs (usually 50%)**

**RDP – Axis 2 measures (agri-environment)**

**RDP – Axis 1 measures (competitiveness)**

**CAP Pillar 1 measure (Article 68, CMO top-ups)**

**Other national/regional measures**

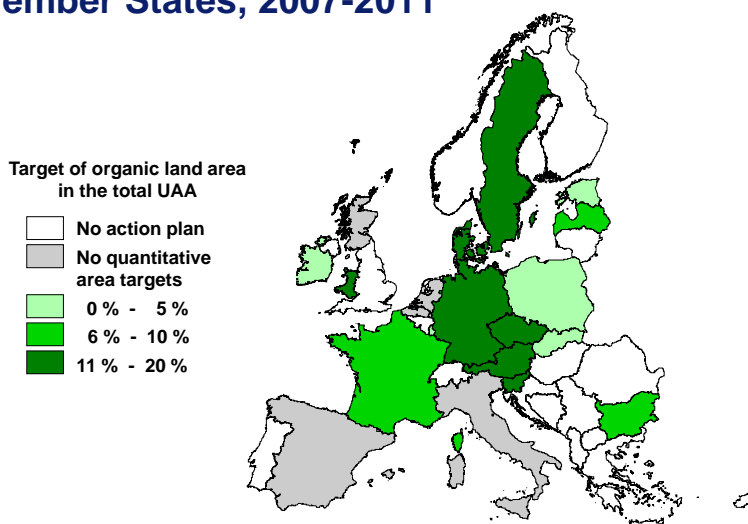


## Overview of other national and regional public measures addressing organic farming

- **Measures have some similarities to those implemented under rural development programmes:**
  - Investment support
  - Marketing support
  - Certification support
  - Training & Advice
  - Information & Education
  - Public procurement
  - Institutional support
  - Research
- **Support instruments which are not specifically targeted at organic farming (→ difficult to identify these measures)**

17

## National/regional organic action plans in EU Member States, 2007-2011



Source: Own presentation based on Gonzalez (2011). 18

## Conclusions

- **Wide range of policy measures supporting organic farming**
- **Member states differ with respect to the**
  - **number of organic support measures,**
  - **way organic farming is addressed and**
  - **level of payment rates**
- **No overall strategic vision for organic farming's contribution to the common agricultural policy (CAP)**
- **Unfair competition?**

**Contact:**

**Dr. Jörn Sanders**

**[juern.sanders@vti.bund.de](mailto:juern.sanders@vti.bund.de)**

**Johann Heinrich von Thünen-Institut (vTI)**

**Federal Research Institute for Rural Areas, Forestry and Fisheries**

**Institute of Farm Economics**

**Bundesallee 50**

**38116 Braunschweig**

**Germany**