Dropping organic certification - effects on organic farming in Norway

Anne-Kristin Løes,
M. Koesling, O. Flaten and G. Lien

anne-kristin.loes@bioforsk.no

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Project: Reasons for opting out of certified organic production in Norway, (2007-08)

Why do farmers opt out?

- In 2002-2007, 1055 farms opted out of certified organic production
- On average, 7.3% of the organic farms were opting out each year
- Twice as much as the general farm exit (3-4% per year)

The Norwegian “Ø”-label for certified organic products
Organic growth ...

Organic farms have increased; 1840 in 2000 - 2611 in 2007
...and structural changes

Organic farm land has increased more, comprises by 2007: 49.563 ha = ca 4%

National goal of 15% organic production and consumption by 2015

In general in Norway:
Rapid decrease in farm units
>200 000 in 1950
< 50 000 in 2008

Farms and herds still relatively small
Average farm size 21.3 ha
Average dairy herd 18 cows
More rapid change in the organic sector

<table>
<thead>
<tr>
<th>Year</th>
<th>Farms opted out</th>
<th>Organic farms</th>
<th>All farms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms</td>
<td>199</td>
<td>210</td>
<td>182</td>
</tr>
<tr>
<td>Agricultural area; ha/farm</td>
<td>17.4</td>
<td>15.9</td>
<td>15.6</td>
</tr>
<tr>
<td>Organic and in-conversion area; % of agricultural area the year before opting out</td>
<td>29%</td>
<td>47%</td>
<td>49%</td>
</tr>
<tr>
<td>Dairy cows; cows/dairy farm</td>
<td>14.3</td>
<td>12.6</td>
<td>17.1</td>
</tr>
<tr>
<td>% of farms with dairy cows</td>
<td>11.4%</td>
<td>16.9%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Sheep, over 1 year; sheep/sheep farm</td>
<td>36.5</td>
<td>43.9</td>
<td>41.8</td>
</tr>
<tr>
<td>% of farms with sheep</td>
<td>40.0%</td>
<td>40.2%</td>
<td>39.9%</td>
</tr>
</tbody>
</table>

Parallel production allowed
• 2002, farmers opting out had little organic land
• 2006, farmers opting out had converted most of the land
# Reasons for opting out

664 farmers contributed to a survey, grouped by current (2007) and future management (in 5-10 years):

<table>
<thead>
<tr>
<th>Group</th>
<th>Organic</th>
<th>Close to Conv</th>
<th>Conv</th>
<th>Exit (2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Close to Conv</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Conv</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exit (Future)</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

23% of current organic farmers consider to opt out in near future

- Many individual comments on the surveys
- Deep interviews with four farmers (sheep, dairy, cereals, vegetable) and two advisers
Reasons for opting out

• Certification and control is too bureaucratic (and expensive)
• Organic standards: Complicated, irrational, change frequently
• Organic standards become stricter with time; animal welfare is cost-demanding
• Agricultural policy is risky (not predictable)
• Organic financial support is too low

• Plant production has problems with weeds and nutrient supply
• Difficulties to obtain 100% organic feed
• Hard to sell and achieve premium price for vegetables
• High employment and salaries increase off-farm employment
## Organic farming area payments 2004/05 (€/ha) and prices to the farmer for conventional products

<table>
<thead>
<tr>
<th></th>
<th>Austria¹)</th>
<th></th>
<th>Denmark¹)</th>
<th></th>
<th>Italy¹)</th>
<th></th>
<th>Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arable land</td>
<td>327</td>
<td></td>
<td>117</td>
<td></td>
<td>111-600</td>
<td></td>
<td>312</td>
</tr>
<tr>
<td>Grassland/ pasture</td>
<td>96-251</td>
<td></td>
<td>117</td>
<td></td>
<td>85-525</td>
<td></td>
<td>69*</td>
</tr>
<tr>
<td>Permanent crops</td>
<td>799</td>
<td></td>
<td>117</td>
<td></td>
<td>298-900</td>
<td></td>
<td>312</td>
</tr>
<tr>
<td>Vegetables</td>
<td>509-654</td>
<td></td>
<td>117</td>
<td></td>
<td>295-600</td>
<td></td>
<td>312</td>
</tr>
<tr>
<td><strong>Organic as share of total agricultural area (2006)²)</strong></td>
<td>13.0 %</td>
<td></td>
<td>5.3 %</td>
<td></td>
<td>9.0 %</td>
<td></td>
<td>4.3 %</td>
</tr>
<tr>
<td><strong>Milk €/100 liter³)</strong></td>
<td>20.6</td>
<td></td>
<td>31.9</td>
<td></td>
<td>n.a.</td>
<td></td>
<td>44.3</td>
</tr>
<tr>
<td><strong>Soft wheat €/100kg³)</strong></td>
<td>8.5</td>
<td></td>
<td>11.4</td>
<td></td>
<td>14.3</td>
<td></td>
<td>26.1</td>
</tr>
</tbody>
</table>

*Additional payment for organic animals (e.g. 79 €/dairy cow; 10 €/sheep over 1 year)


Reasons for opting out

• 36% of the farmers that have opted out, or plan to opt out in near future, claim to manage the farm according to organic standards, even if the public financial support to organic production in Norway is organic.

• (Why) are so many farmers willing to refrain from organic subsidies, AND from extra input that could be achieved by conventional input?

• Implies a large potential for organic management with adaptations in certification practise and support instruments?

• Or do the farmers think that conventional practice is as good as/ close to organic?
Next project?

Cultural barriers to agricultural greening: Investigating farmers’ reluctance to engage with environmental and organic policy instruments

- 4 years
- Bioforsk Organic, Norway
- Centre for Rural Research, Norway
- Univ. Natural Resources and Appl. Life Sciences (BOKU), Austria
- Århus University, Denmark
- Agresearch, New Zealand
Conclusions

• Current standards and certification hampers conversion and continued organic production
• Current support favours large farms
• Small, committed farmers opt out
• Many farmers claim to farm close to organic

• Social science is required to develop organic farming