

The current agri-policy context:

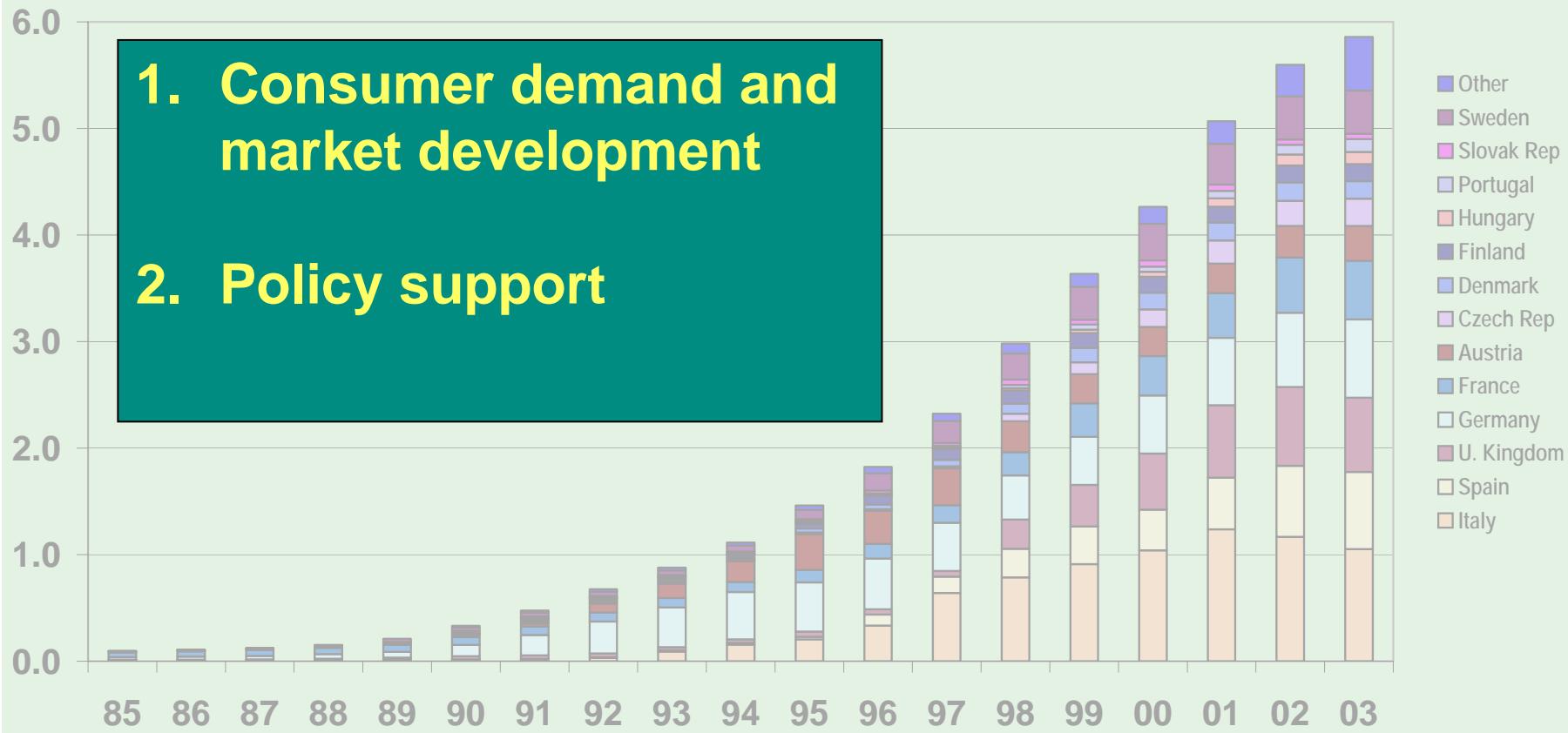
The European Action Plan for Organic Farming and the current CAP Reform

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Main Factors influencing organic growth

EU 25: Organic and in conversion land area (million ha)



The new policy challenges

- 1. Implementation of the Luxembourg Agreements:
The CAP Reform (1st Pillar)**

- 2. Introduction of the new European Action Plan for
Organic Farming and Food**



What can the Organic Sector expect from the CAP Reform?

The key elements of the CAP reform

- **single farm payment, de-coupled from production**
limited coupled elements may be maintained to avoid abandonment of production
- **this payment will be linked to the respect of environmental, food safety, animal and plant health and animal welfare standards, as well as the requirement to keep all farmland in good agricultural and environmental condition (cross-compliance),**
- **Modulation: shift of resources to the 2nd pillar rural development policy (reduction of payments)**

CAP Reform Implications

- Introduction of a more market-oriented and entrepreneurial approach
- Single farm payments freeze the historical payment level
 - arable and livestock support for conventional farms has been typically higher than for organic farms due to more diversified crop rotation and lower livestock density on organic farms
- Impact of directing function of payments on conversion diminishes
- Organic sector may benefit from shift of resources to 2nd Pillar measures



The new European Action Plan for Organic Food and Farming

Process of Action Plan Development

- Initial steps at the Organic Conferences in Vienna, 1999 and Copenhagen, 2001
- Council of Ministers invites the Commission in developing an Action Plan, June 2001
- Establishment of expert and member state working groups, 2002
- First Commission working paper on issues to consider in an action plan, submitted to Council of Ministers end 2002
- Published June 2004 with 21 action points
- Result of 5 year process

What is the purpose of an action plan?

- **Definition of clear goals for the organic sector development**
- **Integration of stakeholders and public institutions in partnership approach**
- **Focus on specific, often local, issues that need to be addressed with tailored measures**
- **Integration of different policy measures (supply ‘push’ or demand ‘pull’)**

Examples of national Action Plans

	Target Share of organic area	Target year
Denmark	12%	2003
The Netherlands	10%	2010
France	5%	2005
Wales	10%	2005
Germany: OF scheme	20%	2010
Portugal	7%	2008

Why do we need an EU Action Plan?

- To provide strategic context and vision for organic farming's potential contribution to EU agriculture
- To allow a better integration in the EU policy and regulatory framework (Pillar 1 & 2)
- To provide optimal conditions for trade and functioning of the market mechanism
- To provide an enabling framework for supporting targeted actions at the local level following the subsidiarity principle

Evaluating the Action Plan

- **15 of 21 actions relate to standards and inspection procedures**
many of which are already in progress and the responsibility of the Commission's organic farming unit
 - **Only 1 new initiative: the information campaign**
 - **Remainder actions relate to enhancing or encouraging member states to make better use of existing measures**
- **No consideration of interaction of organic farming with main parts of CAP**
- **No clear link to themes in national plans**
- **No targets or substantive vision**
- **No significant allocation of new resources**
- **No clear integration of stakeholders**



Has the European Action Plan for Organic Food and Farming failed?

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- ✓
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The positive achievements

- The process engaged senior levels of the Commission more than previously
- Strengthened involvement of organic sector in policy making at EU level
- During implementation, there is potential to increase allocation of resources and introduce more specific activities
- Reform of the Rural Development Regulation from 2007 provides opportunity to anchor public good aspects more strongly

Conclusions

- CAP Reform allows a more market-oriented farming approach
- Strategic subsidy optimisation loses of importance for conversion decision
- Organic Sector could benefit from CAP Reform Decisions
- EU Action Plan does not entirely fulfil the expectations
- However the Commission makes a clear reference to the importance of organic farming in the context of the EU agricultural policy
- In this respect the Action Plan represents a milestone
- The new Rural Development Programme will be the chance to anchor organic farming more specifically

Further Information

- EU CEE-OFP:

Further development of Organic Farming Policy in Europe, with Particular Emphasis on EU Enlargement:

<http://www.irs.aber.ac.uk/EUCEEOF/>

- NEW 6th FP Project ORGAP:

Evaluation of the EU Action Plan for organic Food and Farming

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