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FUTURE OPTIONS FOR ORGANIC FARMING POLICY SUPPORT IN EUROPE

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Abstract: Policy support has been very important for the development of organic farming in Europe since the 1990s. Measures include regulations defining organic in the marketplace, support payments for organic conversion and maintenance, and action plans aimed at integrating market and rural development support. Such support has been justified in terms of the environmental and other societal benefits delivered, as well as the economic benefits of the market for organic food. While the evidence for public benefits from organic farming is clear and increasing, the mechanisms for rewarding these benefits have been focused, as other agri-environment measures, on income foregone and costs incurred. With the introduction of a new CAP, involving Member State Strategic Plans and Ecoschemes, the focus of policy is shifting to results. This paper explores the implications of the for future organic farming support, including how public benefits from complex, multi-functional systems can be identified, quantified and valued at an affordable cost.

Introduction: Policy support has played an important role in the development of organic farming in Europe (Stolze and Lampkin, 2009; Sanders et al, 2011). The EU Organic Regulations have provided a sound basis on which markets for organic food can be developed, while conversion and maintenance support has enabled farmers to become and stay organic. Organic action plans (Meredith et al, 2018) have also played an important role in meeting specific local needs and balancing the impacts of supply push and demand pull measures, in particular those available as part of the EU's rural development regulation.

Policy instruments addressing organic farming are usually justified by organic farming delivering a wide range of public goods and contributing to agri environmental policy goals. However, the payment levels as well as the remuneration criteria are currently not linked to the quantity as well as the economic value of public goods delivered.

Environmentalists and other have long argued that public goods should be better recognised in agricultural and agri-environmental policy: Public money for public goods. The EU Commission has published proposals for the decentralisation of the CAP, with the focus no longer on defining measures than can or must be implemented, but instead focusing on objectives and results that need to be achieved. This provides the opportunity for member states to define how these can be delivered and to implement more target-specific support measures.

So far however, very little is known about how the idea of payment for public goods can be realised in practice – encouraging a greater focus on delivering outputs and rewarding actual achievements. This paper (a) describes briefly the knowledge on public goods delivered by organic farming, (b) outlines the challenges of an alternative remuneration system as well as (c) possible implications for organic farming.

Material and methods: A comprehensive, systematic literature review (Sanders and Hess, 2019) was undertaken to identify the range of public goods delivered by organic farming.

In a series of workshops during 2019 (IFOAM EU Farmers Group in Kutna Hora, CZ; Member state representatives in Brussels, German organic farming action plan stakeholders, Eltville), views were gathered on how the delivery of public goods by systems-based approaches like organic farming might be better assessed and rewarded, and how this might be reflected in the design and implementation of Ecoschemes as part of the new CAP.

Payment rates in all EU member states were reviewed to provide a comparison between 2019 (Lampkin and Sanders, 2019) and earlier reviews in 2011 (Sanders et al. 2011) and 2015 (Stolze et al. 2016).

From 2020, a new 3-year project, with Thünen Institute and FiBL as partners, will focus on how the idea of payment for public goods can be realised in practice – encouraging a greater focus on delivering outputs and rewarding actual achievements. This includes the identification and definition of relevant indicators, as well as appropriate measurement methodologies and on-farm testing.

Results: Previous studies have shown that organic farming can generate environmental and other benefits relating to soil health and fertility, water management and quality, air quality, climate change and adaptation, biodiversity, pollinators, landscape, resources use sustainability, animal welfare, food security, public health, and rural economy and employment. The review by Sanders and Hess (2019) focused on most of these, documenting clear evidence from the research literature that relevant benefits can be delivered by organic farming.

Table 1: Evaluation of the environmental, resource conservation and animal welfare benefits of organic farming on the basis of the reviewed literature and production standards in comparison with conventional agriculture.

Benefit	Indicator		Per unit	Studies (n)	Compar-ison pairs (n)	Quantitative comparison organic performance:			Qualitative comparison organic performance:		
						Better	Similar	Worse	Better	Similar	Worse
Water	Nitrates	Area	71	202	X						
		Yield	8	24	X						
	Pesticides	Area	12	66	X						
	Animal health products	Area	-	-					X		
	Phosphorus	Area	-	-					X		
Soil	Earthworm	Abundance	Area	21	64	X					

			a							
	Surface run-off		Are a	9	22		X			
	Soil erosion		Are a	16	45	X				
Resource efficiency	N-input		Are a	38	113	X				
	N-efficiency		Yiel d	38	113	X				
	N-balance		Are a	36	114	X				
	Energy input		Are a	55	141	X				
	Energy efficiency		Yiel d	37	105	X				
Animal welfare	Dairy cows	Animal health	Her d	46	286		X			
		Behaviour	Her d	3	10				X	
		Emotions	Her d	1	3				X	
	Pigs	Animal health	Her d	8	51		X			
		Behaviour	Herd	2	2				X	
		Emotions	Herd	-	-				X	
	Poultry	Animal health	Floc k	6	28		X			
		Behaviour	Flock	2	4				X	
		Emotions	Flock	3	5				X	

Source: Sanders and Hess, 2019

While the evidence of benefits from organic farming in general is strong in many cases, based on the research literature, this does not guarantee that every individual farm performs equally. Farm type, location, resources, skills and experience all play a role in determining actual performance.

Since 1994, conversion to and maintenance of organic farming has been supported in most EU member states as an agri-environment measure. The payment rates have been based on income foregone and additional costs incurred, but calculation methods have not been consistent and there has been wide variation within and between member states, as illustrated in Figure 1.

Figure 1 Organic maintenance support payments for arable land in 2015 by country. Source: Stolze et al. 2016 (This figure can be updated with 2019 data prior to publication)

The wide variation in payments available does not necessarily reflect the benefits delivered, and often does not fully cover the costs. But it also impacts on the development of the organic market and trade between EU MS.

Discussion: Multi-functional, systems-based approaches like organic farming can deliver a wide range of public benefits. While it is not clear that organic farming is the best approach with respect to any single benefit taken in isolation, the collective basket of benefits is potentially much greater than may be delivered by single-benefit focused measures. This means that organic farming could be used as a baseline measure, supplemented by specifically focused measures to fill the gaps.

As far as the CAP is concerned, for the first time since 1994, organic farming is no longer specified directly as a policy measure, although it is referred to in the guidance documentation. But while the benefits from organic farming have been widely researched and documented, they have not been systematically presented in a way that would allow policy makers to fully recognise the potential for a multi-functional, systems-based approach like organic farming to contribute to the CAP objectives, for instance through their inclusion in the new ecoschemes (Stolze et al, 2019).

A key question is, how can the benefits be evidenced sufficiently to justify payments based on results., given the potential transaction costs of assessing output in detail on individual farms, Is the research evidence sufficient to justify group recognition? If we do need to be more precise, are there alternative sources of data, or examples from control procedures or satellite observation, that might reduce the administrative burdens involved but at the same time fairly demonstrate what organic farming delivers.

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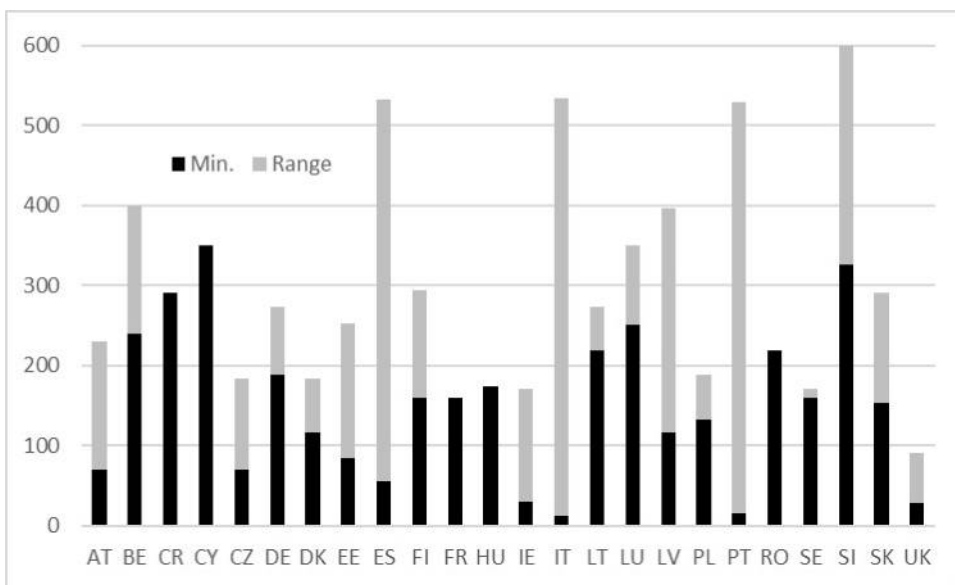
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Image:



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