

Organic Farming in Luxembourg

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1 General Information on the Situation of Agriculture

Luxembourg, the smallest country in the European Union (see map: http://www.lib.utexas.edu/Libs/PCL/Map_collection/europe/Luxembourg.jpg), located between Germany, France and Belgium, covers a surface area of 2,586 km², on which approximately 400,000 people live. Approximately 90,000 people live in the capital of Luxembourg. One-third of the population and approximately half of the working population are foreigners. More than 70,000 people commute daily from the three neighbouring countries to Luxembourg to work. The reason is higher wages in Luxembourg. In the last few years the more than 200 banks have contributed to the relatively quick transformation from a primarily agrarian economy to the development of the service sector.

The number of farms is declining rapidly. Today, approximately 2,600 farms (1970 still 7,600 farms) with about 126,000 hectares agricultural land are still in operation. Milk and cattle production play a dominant role, and in comparison, the income from horticulture and special cultures is minimal. Many farms have between 50 and 100 milk cows and between 60 to 100 hectares of land. A few farms have merged, so that farms with a few hundred milk cows and/or cattle and several hundred hectares are already not uncommon.

2 History and Development of Organic Agriculture

Organic farming has developed in the last few years under the aforementioned realities. In the sixties there was a group of farmers, gardeners and consumers that became aware of the work of Hans Müller, the founder of organic farming. At this time, Hans Müller was often in Luxembourg, and thereupon some gardeners and consumers founded a producer-consumer co-operative named "Regénération" in the seventies. The primary goal was to provide the consumers-members with fresh organic products and to stimulate production. In the spectrum of agriculture, organic agriculture could not yet grab a foothold.

At the beginning of 1979 the Schanck farm in Northern Luxembourg was converted to bio-dynamic farming. In 1982 another farm converted to the Lemaire-Boucher method ("organic" farming with the application of Chilean nitrate and an increased application of calcified seaweed). In this time, the first conventional farmers started to pay attention to "these other methods of organic farming," so that in the middle of the eighties came the development of a loosely organised working group with an emphasis on bio-dynamic farming. In 1986 a third farmer decided to convert his farm. That year the Schanck farm was awarded the "Hellef fir d'Natur" environmental prize from the natural history museum and the nature protection foundation whereby organic agriculture became more well-known.



3 Statistical Development

Since the foundation of the organic producer organisations in 1988 the number of organic farms more than doubled. The percentage of agricultural utilised area under organic management was 0.8 percent at the end of 1999.

Table 1: Organic farms and agriculturally utilised area under organic management 1999

	1999
Number of organic farms	30
Per cent of all farms	1.1
Land under organic management (ha)	1002
Per cent of agriculturally utilised area	0.8

Source: Verenegung fir biologesche Landbau Letzebuerg (bio-LABEL)

4 Organic Agriculture Organisations

At the beginning of 1988 both the organic associations

- "Verain fir biologesch-dynamesch Landwirtschaft" (demeter)



and the

- "Verenegung fir Biologesche Landbau Letzebuerg" (bio-Label)



were founded.

At this time the total membership of both associations included 10 farms with about 300 hectares of land. This figure remained relatively constant for a few years until the total number of farms reached 18 (505 hectares) in 1995 and 30 (1002 hectares) in 1999.

The tasks of the associations remained the same as before: PR-work, representing the interests of the organic farmers, the provision and up-dating of standards, certification, inspection of the farms (additionally to the EU-standards), administration of the associations' labels.



Table 2: Organic Farming in the two producer organisations 1999

	Verenegung fir biologesche Landbau Letzebuerg asbl	Verain fir biologesch-dynamesch Landwirtschaft asbl	Organic farming in Luxembourg
Farms	21	9	30
Hectares	579	423	1,002
Per cent of all farms	Ca. 0.4%	Ca. 0.3%	Ca. 0.8 %
Processors	3	5	8

Source: Verenegung fir biologesche Landbau Letzebuerg (bio-LABEL)

5 Land Use and Animal Husbandry

Currently, milk and meat production play an integral economic role for the 30 existing organic farms (organic, bio-dynamic and in-conversion farms included).

The farms are spread throughout the entire country. They are mainly mixed arable-grassland farms with dairy cows, some of which also grow vegetables (see table 3). Some farms specialise in suckler cows, highland cattle or broilers. Only one farm fattens pigs on a large scale. Total vegetable production in Luxembourg is very small (production > 1%). However, organic vegetable farming with a total of five farms (in addition to the field vegetables on bio-dynamic farms) accounts for half the vegetable production in Luxembourg.

The cultivation of organic fruit and wine began just in 1995.

In contrast to the small percentage of organic farms, Luxembourg demonstrates the highest per capita consumption of organic products in the EU, which is supplemented by imports.

Table 3: Land use 1999

	Hectares
Arable Land, Grassland	996
Perennial Cultures	2
Vegetables	4
Total	1.002

Source: Verenegung fir biologesche Landbau Letzebuerg (bio-LABEL) 2000

6 Standards and Certification

The German inspection body “Kontrollverein Ökologischer Landbau” inspects the organic producers and the processors. The Department of Agriculture



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(<http://www.etat.lu/internet.html>) inspects a few smaller processors. Currently, the inspection costs are paid for by the Department of Agriculture.

7 State Support, Agenda 2000

During the conversion period the organic farms receive 175 Euro during the first two years. For the remaining three years farmers receive 150 Euro for grassland and arable land (up to 70 hectares). Organic special crops are not covered by this program. There is also a land stewardship subsidy, whereby earth-friendly measures are supported. Conventional farms also profit from this program.

In the framework of the Agenda 2000, support schemes that benefit of organic farmers are anticipated.

The state covers the inspection costs for the producers.

8 Implementation of Council Regulation (EEC) 2092/91

Until the implementation of Council Regulation (EEC) 2092/91 (http://europa.eu.int/eur-lex/fr/lif/dat/1991/fr_391R2092.html), only the standards of the associations were valid.

In some important ways their standards are stricter than those of the EU (for example, complete conversion of the farm, restrictions on brought-in feedstuffs). Therefore the organic symbols (bio-LABEL, Demeter) continue to play an important role.

There are no national standards for organic production.

9 Marketing

9.1 Individual Marketing Strategies

For many farms, direct-marketing - since the beginning - represents an important foundation for the sale of their products.

In the domain of meat the farmers organise the slaughter and the marketing themselves, co-operating with a butcher. Mutton and pork play a minor role. In the poultry business there is a large farm that completely markets its own products.

Many of the vegetables are sold at the farmers' markets. Here the close relationship between producers and consumers can be experienced daily. Most farmers, however, have to market some of their products through organic co-operatives and supermarkets.



9.2 Co-operative Marketing

At the end of 1988 the “BioG” – “Biobauregenossenschaft Letzeburg” (organic farmers’ co-operative) was founded by a handful of bio-dynamic farmers, gardeners and sympathetic parties. Today organic farmers are also members. BioG processes and markets of the products of the individual farms co-operatively.

This idea found its first realisation in small decentralised dairies. The first dairy produced hard cheese, curds, butter and buttermilk as well as milk. Three such dairies were established producing milk, hard cheese and yoghurt. Now a major Luxembourg dairy plans to introduce an organic line.

The establishment of grain marketing followed a similar path.

Since the co-operation with the natural and health food stores was not as good as desired, the co-operative was compelled to establish its own retail shop. This resulted in collaboration with ‘Naturata Überlingen’ (<http://www.naturata.com/fachh.htm>) (Germany) and the permission to use its name. A shop of 600 m² was leased in the city of Luxembourg in order to provide room for the sale of food, clothing, books and cosmetics. The storage room and mill of the co-operative are also located there. Apart from the BioG products a vast assortment of imported goods is available. From its beginning, the co-operative focussed on fresh products. The shop quickly developed to be the largest natural food shop in Luxembourg, and thus the Luxembourg organic farmers developed a firm foot-hold for the marketing of their products within the city. A kitchen was built to serve as a classroom for cookery courses.

From the very beginning, the co-operative made it clear that farm-gate-sales should be maintained and further developed. Yet, with the establishment of the farm dairies, more and more customers came to the farms, looking for other organic products as well. Gradually four farms shops (three of which were affiliated with Naturata) and two other Naturata franchises (<http://www.naturata.com/index.htm>) in two small cities were developed.



9.3 Organic Wholesale

Co-operation with other organic shops became easier after 1992, when an independent wholesaler was founded. This wholesaler “Bio-Gros” imports primarily goods from Germany (fresh), Holland and France (vegetables, fruit). Bio-Gros took over all of Bio-G’s distribution, and from then on Bio-Gros could concentrate on the processing and packing of the products.



9.4 Finances

Many different financing strategies were pursued: Apart from the shares of the members of the co-operatives, private parties gave donations and interest-free loans. The "Natura Vulleschutzlig Letzeburg" (society for the protection of birds) and similarly the foundation "Hellfef fir d'Natur" (help for nature) sponsored the first milk bottles, supported the purchase of a refrigerated truck and the development of a dairy. Obviously, normal bank credit was also utilised during the different stages of development, whereby farmers and entrepreneurs mutually vouched for the projects. For the last dairy, a credit from an alternative credit union was taken. Because the farms are largely under-capitalised and because many parties should shoulder the investment risks, the organic farmers associations attempt to find more capital .

10 Training

There is no regular training for organic farming.

11 Advisory Service

Since 1999, the organic associations run a joint advisory service, of which the state finances 50 percent. The unions, farmers and a few nature protection associations finance the rest.

12 Research

There is no special research for organic agriculture.

13 Challenges and Outlook

In the coming years, both organic associations must take an active role in strengthening political activities, with which organic farming can find more recognition and support. For most products the market is good, so that some farms will still be able to convert. After a few years without too many farms converting, in the next one to two years more growth in the number of farms is expected, especially if the Luxembourg dairies and the organic farmer co-operatives bring organic milk to the market with a better price for the farmers. Surveys indicate that 14 to 19 percent of young farmers consider converting to organic agriculture.

With more organic farms, significant efforts must be made to market grains, beef and veal. On the level of the processing and packaging of vegetables, the wholesaler BioGro and the BioG co-operative are considering new investments including a new building.



By the end of 2000, the project “Oikopolis”, which will bring several organic enterprises under one roof, should be completed.

For the future it is planned to enhance efforts not only in informing consumers but also wholesalers. Currently, an initial project with a large kitchen will be prepared, and a few restaurants are showing interest in offering organic meals.

In the future, the advisory service has some work to do with the implementation of the EU-animal husbandry regulation.

Like almost in all other countries, too little emphasis is dedicated to the question of seeds. There are several initiatives for the preservation and improvement of seed varieties. A project with the competent seed co-operative has been running since the autumn of 1997 to grow organic seed-stock on the organic farms. For a few years, a Demeter farm has successfully grown seed potatoes, and four other farms propagate certified grain seed.

In the future it will be important to win all those potentially sympathetic to organic agriculture. Also in the small country of Luxembourg, the organic farmers and their associations will strive to create a sustainable approach to agriculture and the production of healthy food.

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