In Copenhagen on the 10th to 11th of May 2001 the Danish Ministry of Food, Agriculture and Fisheries hosted the European conference “Organic Food and Farming - Towards Partnership and Action in Europe”.

The decision to organise the conference aiming at partnership and action was among other things based on the experience from the conference Organic Farming in the European Union - Perspectives for the 21st Century in Vienna (Baden) May 27th to 28th 1999.

Hence it was the ambition that the Copenhagen conference together with the Vienna conference should be able to create tangible results.

By reaching consensus about the Copenhagen Declaration I believe that this ambition was realised, and in this context I would like to express my thanks to the Programme Committee, the National and International Reference Group as well as everybody else that has been involved in this process.

The Copenhagen Declaration was signed by eleven European ministers and four major organisations, that calls upon the Council, the European Commission and European governments demanding that a European Action Plan should be developed within the next two years.

Hence the Copenhagen Declaration provides a tangible platform for the further development of the organic sector in Europe.

Based on the conference and the Copenhagen Declaration the Council of Ministers has invited the Member States, the Commission and stakeholders to share ideas on what further action at European Union level could facilitate production, processing, trade and consumption of organic products in Europe.

On behalf of the Danish government I will express the hope that all interested partners at all levels will now commit themselves to this project and take appropriate action thereby leading us towards the creation of the European Action Plan.

Hopefully these proceedings including the Copenhagen Declaration, the conclusion from all thematic sessions and the full version of the conference presentations will be of value in the process that is now to follow.

Ritt Bjerregaard
The conference was organised by The Danish Ministry of Food, Agriculture and Fisheries in close co-operation with a range of partners.

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Ms. Mette Meldgaard, The Danish Association for Organic Farming
Mr. Martien Lankester, Avalon Foundation
Mr. Claus Bo Andreasen, The Danish Research Centre for Organic Farming (DARCOF)
Ms. Ursula Rahbek Jensen, The Danish Veterinary and Food Administration
Mr. Erik Bjørn Olsen, Øgruppen - Danish Organic Trade Association
Mr. Bruno Sander Nielsen, The Agricultural Council of Denmark
Mr. Jens Holst-Nielsen, The Danish Food and Drink Federation
Ms. Anne Mette Jensen, The Danish Ministry of Food, Agriculture and Fisheries
Ms. Lene Breum Larsen, The Danish Ministry of Food, Agriculture and Fisheries
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THE COPENHAGEN DECLARATION

The European Conference

Organic Food and Farming - Towards Partnership and Action in Europe

In signing this declaration from the European conference “Organic Food and Farming - Towards Partnership and Action in Europe”, 10th to 11th of May 2001 in Copenhagen, Denmark we wish to highlight that:

• Organic farming is a highly relevant tool, which contains the potential to participate in solving simultaneously a range of problems related to food production, environment, animal welfare, and rural development.

• Organic food and farming is becoming a major opportunity for food producers in Europe, due to a growing consumer interest for certified organic products. This is a precondition for developing a market for organic food and create income for farmers.

• Organic food and farming should be developed further in Europe.

Experience from various countries in Europe demonstrates that the development of organic food and farming has been facilitated by Action Plans, i.e. strategic actions developed and undertaken in close partnership between the public and the private sector, including consumers, farmers, producers, retailers, non governmental organisations (NGO’s), researchers and other important stakeholders.

In order to facilitate partnerships and actions also at European level the conference calls upon the Council, the European Commission and European governments to secure that the process towards a European Action Plan will continue.

Within the next two years the European Action Plan should:
1. Analyse the barriers to and potential for further growth within production, processing, trade and consumption of organic products in Europe.

2. Present a consensus-oriented and market-based strategy, which involves all stakeholders within Europe as a whole, including the European Commission, national governments, consumers, farmers, producers, retailers, NGO’s, researchers and other important stakeholders.

3. Cover all aspects concerning the development of organic food and farming in Europe, including areas such as environmental protection, animal welfare, consumer-behaviour, market-development, food-safety, food-quality, regulation, certification and labelling, research and international trade. By the choice of themes the conference has itself covered all key-aspects and thereby produced a range of specific recommendations which should be used as an input to the European Action Plan.

4. Analyse the relationship between, on the one hand the opportunities for the further development of organic food and farming and, on the other hand the Common Agricultural Policy and other international agreements including WTO and Codex Alimentarius.
During the conference the declaration has been signed by

AUSTRIA: Mr. Wilhelm Molterer, Federal Minister for Agriculture and Forestry, Environment and Waterprotection.

DENMARK: Ms. Ritt Bjerregaard, Minister of Food, Agriculture and Fisheries

ESTONIA: Mr. Ivari Padar, Minister of Agriculture.

FINLAND: Mr. Kalevi Hemilä, Minister for Agriculture and Forestry

GERMANY: Ms. Renate Künast, Federal Minister for Consumer Protection, Nutrition and Agriculture,

GREECE: Mr. Evangelos Argyris, Viceminister of Agriculture.

IRELAND: Mr. Noel Davern, Minister of State, Ministry of Agriculture.

LITHUANIA: Mr. Mindaugas Kuklerius, Vice minister of Agriculture.

NORWAY: Mr. Bjarne Håkon Hanssen, Minister of Agriculture

SCHWEIZ: Mr. Manfred Bötsch, Director, Federal Office for Agriculture.

SWEDEN: Ms. Margareta Winberg, Minister of Agriculture.

THE NETHERLANDS: Mr. C. J. Kalden, General Director, Ministry of Agriculture, Nature Management and Fisheries.

UNITED KINGDOM: Mr. Elliot Morley, Junior Minister, Agriculture.

COMMITTEE OF AGRICULTURAL ORGANISATIONS IN THE EUROPEAN UNION (COPA): Mr. Peter Gaemelke, Vicepresident.

EUROPEAN COMMUNITY OF CONSUMER COOPERATIVES (EURO COOP): Ms. Maria Gardfjell.

EUROPEAN ENVIRONMENTAL BUREAU (EEB): Mr. Gijs Kuneman, Chair of the Agriculture Working Group.

INTERNATIONAL FEDERATION OF ORGANIC AGRICULTURE MOVEMENTS (IFOAM): Mr. Gunnar Rundgren, President
CONFERENCE RECOMMENDATIONS

Key Issues for a European Organic Farming Action Plan
Synthesis of working group recommendations

- Common Agricultural Policy
- Make organic farming (OF) a key element of future CAP Reform
- Positive contribution to rural development
- Review impacts of existing measures on OF
- Rural development measures under-utilised
- Multi-functionality/cross-compliance needs to be genuinely integrated
- Removal of production constraints on organic producers
- Shift from production support to rural development measures
- Evaluate alternative instruments (green tax, VAT)

ENVIRONMENT
Beneficial impacts on the environment provide a key justification for supporting OF as a public good (multi-functionality)
- Potential to further enhance contribution including linkage to targeted agri-environment measures
- Ensure compatibility of OF and other measures
- Appropriate development of standards and regulations needed
- OF should become key element of environmental programmes (Biodiversity, Natura 2000, ESDP)
- Minimum environmental requirements for conventional farms should be enhanced
- Restrict/discourage transportation

PROCESSING AND MARKETING
Encourage marketing/processing activities as part of an orderly and fair development of the market (DK, NL examples)
- Market not sole mechanism to support OF
- Fair price for producers
- Generic promotion of organic products
- Development of standards with respect to quality, processing and criteria for use of additives
- Financial support for processing and marketing initiatives - innovative approaches
- Address barriers to small-scale/on-farm processing
- Involve food manufacturers as partners
- Co-operation in supply chain development
CONFERENCE RECOMMENDATIONS

CONSUMERS
Strengthen consumer trust, understanding, perceptions and recognition of organic products and reflect consumer concerns
- Improved labelling (national/EU logo) and communication
- Risk of confusion from intermediate standards
- Involve consumers in dialogue and standards
- Better understanding of consumer characteristics, needs and motives
- Public education programmes
- Strengthen producer-consumer links
- Recognise and work with gender issues
- Access to organic products for low income groups
- More research on quality, nutrition and health

TRADE
Remove barriers to trade while addressing sustainability (local/global) and fair trade issues
- Increase confidence and trust through supply chain transparency and effective control
- Assistance with infrastructure development and related legislation and information services
- Need for good market information/statistics
- Establish guidelines/indicators for sustainable and fair trade

STANDARDS AND REGULATIONS
Develop and adapt standards and regulations to protect and reflect OF objectives and principles
- Increase stakeholder involvement in standards setting and development of regulations
- Increase options for regional flexibility
- Improve links with research to provide stronger basis for standards
- Extend range of products covered by regulation
- Importance of equivalence and role of IFOAM accreditation
- Increase international collaboration in standards development, inspection and control

RESEARCH
Research and associated information dissemination initiatives are essential for a knowledge-intensive agricultural and food sector
- Increased priority at national and EU level
- Relevant, high quality research covering development and evaluation of OF
- Integration of stakeholders
- Separate EU funding and evaluation procedures for OF
- Improved co-ordination of EU and national research programmes and institutions
CONFERENCE RECOMMENDATIONS

CENTRAL AND EASTERN EUROPE
Develop regional action plan for CEE countries within context of European action plan reflecting specific situation
- Appropriate budgetary reservations
- Immediate development of EU harmonised regs.
- Development of domestic markets
- Supportive economic instruments
- Research and information dissemination
- Institutional capacity building
- SAPARD and other policies including resolving contradictions between individual policies
- International support initiatives/networks

ACTION PLAN DEVELOPMENT
Process needs to be interactive with full integration of stakeholders as well as EU, national and regional institutions
- Targets for the development of OF
- Detailed analysis of situation of organic farming and barriers to development
- Evaluate and learn from existing national action plan experiences
- Representative body with appropriate administrative support
- Realistic funding of development process and subsequent actions

ACTION PLAN DEVELOPMENT (2)
- Role of EU and other institutions needs to ensure appropriate collaboration and ownership
- Institutional capacity building and interaction with conventional policies and structures
- Accommodate dynamic nature of organic concept

WIDER POLICY CONTEXT
Development of the action plan needs to take account of, and where appropriate be fully integrated with, other international policy initiatives
- Agenda 2000 mid-term review
- CEE accession negotiations
- CAP reform 2007+
- WTO negotiations
RECOMMENDATIONS FROM THEME 1

Organic Agriculture as a Part of the Common Agricultural Policy

Organic farming gives today measurable benefits for the environment, rural development, food quality and farm income. As such it contributes to the objectives of the CAP and can be a catalyst for reaching these objectives in the larger European agricultural system. There are therefore strong reasons for strengthening its placement in the evaluation of the agenda 2000 and in the new CAP reform.

An Action Plan for organic farming should not be put outside the new CAP reform. It should be seen as a driving force within the new CAP reform stimulating the current farming system to take further steps towards quality in the food chain and the environment. Therefor there is an urgent need to evaluate the effects of the current CAP on organic farming and develop new policy tools for the promotion of organic farming in the CAP.

A forthcoming European Action plan should answer the following two questions:

A: How does the CAP today affect the possibilities for the development of organic farming. The development of organic agriculture is strongly affected by the chosen objectives of the CAP and by the choice and form of market and rural development schemes.

B: How can organic farming be strengthened through adjustments to the existing schemes and by establishing organic farming as a central, independent strategy for achieving environmental and rural development objectives. What specific policy tools and changes will achieve these goals.

Recommendations from theme 1 on question A:
- The primary problem with the current CAP in relation to organic farming is that it ignores organic farming
- Market schemes keep farmer and policy focus on specific commodities production instead of objectives production practices.
- Lack of measures which support market initiatives at the national and regional level
- Favorising grain production for sale in relation to other feed production (grass f.x.)
- Need for elimination of set aside requirements for organic farmers.

Recommendations from theme 1 on question B:
Initiatives to strengthen organic farming as a part of the CAP:
RECOMMENDATIONS FROM THEME 1

New initiatives which improve support schemes

• To utilise the potential of organic farming within the CAP, it is necessary to develop a new policy initiative which establishes a scheme which specifically strengthens organic farming within the CAP.

• In order to ensure a broad and balanced development of the organic farming sector it is necessary to integrate organic farming into other support schemes which target market development, advisory systems, consumer information and improvement in food processing and distribution and to adjust these programmes to give member states the possibility of developing comprehensive strategies and programmes for development of the organic sector at the national level.

• Eliminate obligatory set asides for organic farms that are fully converted.

RECOMMENDATIONS FOR THE PROCESS OF POLICY DEVELOPMENT REGARDING ORGANIC FARMING AND THE CAP

• The development of concrete proposals to CAP reform through an action plan for organic farming should take place in a forum where there is close co-operation between organic farming and general agriculture institutions (including farmers’ organisations, public agencies and food firms) with the goal of promoting organic farming. It must be ensured that the organic organisations have the capacity to play a central role in policy work on the CAP.

• Establishing permanent structures where organic and general agriculture interests are combined with other interests (consumer, environment) and are able to initiate recurrent and planned action that involves both the farming community, agriculture policy and the food market.

• Stimulate the incorporation of organic farming within the European Spatial Development plan as well as in the Natura 2000 and the Biodiversity convention.

• Factors in addition to ordinary production costs (subsidy, externalised costs not accounted for in green taxes, VAT), which effect the price structure of organic products in relation to conventional products should be analysed in order to find initiatives, which can ensure a fair price in relation to conventional products and make organic products within reach of most Europeans.

GENERAL RECOMMENDATIONS TO THE CAP

• The trend towards multifunctionality has to be accelerated and fully integrated into new CAP reform.

• As such the rural economy and the environment have to be the leading principles in the new CAP reform

• The new CAP reform should include concrete environmental objectives
RECOMMENDATIONS FROM THEME 2

Green tax initiatives which can contribute to achieving objectives of the CAP should be evaluated and implemented.

Support for a general shift from production support and compensation to farmers to direct payments for real environmental, social and development benefits.

RECOMMENDATIONS FROM THEME 2
Trading Organic Products

The demand for organic products is exceeding supply on major EU market places. Recent food scares is likely to lead to further increases in demand. However, to sustain the recent interest in organic products, education of consumers is just as essential as promoting supply. It is furthermore crucial to stimulate trade in organic products to ensure that supply meets demand. This will create greater market and price stability for producers and a wider choice for consumers. The state has an important role to play in maintaining the trust in organic production.

The future EU-member states have a potential for supplying organic products to expanding markets. However, these countries are at a crossroad, where the choice between industrial farming and the organic alternative will be subject to the available policy tools.

It is therefore essential:
- To increase confidence and trust in organic produce through a reliable, effective and fully transparent control and certification system.
- To inform and educate consumers and retailer’s staff about the meaning of organic (e.g. the environmental advantages, animal welfare, health implications etc.)
- That retailers and producers pay real attention to the consumers’ wishes, opinions and constraints (large and attractive product range, price, consumption as an expression of lifestyle, facility of purchase and use)
- Clean up the “logo jungle”: Work towards a common main logo - at least on national level - which is not only launched but also continuously promoted hereafter.

Supply of organic products should be stimulated by:
- Governmental assistance to help the sector taking off (implementing and enforcing legislation, improving the market structure, education, and infra structure).
- Creating national councils for organic farming with main stakeholders involved.
- Technical assistance to CEE countries (education, implementing regulation, establishing strong certifying bodies, improving marker information, conversion subsidies coupled with state supervision, etc.)
- Need to develop local CEE markets - not only bulk exports.

RECOMMENDATIONS FROM THEME 3
Organic Standards, Certification and Legislation

The EU regulation for organic farming (2092/91) has played a major role for the growth
of organic farming in Europe. And continues to be very important for the definition of organic farming in an EU context. The EU legislation is the base of the legislative protection of organic farming in the EU seen in a market perspective.

The standard setting is an important tool in organic farming, not only as a set of rules, but also as the meeting place for farmers, consumers, processors, retailers etc., where the idea of organic farming is defined and developed. For the stakeholders to be a part of the standard setting process is also to secure the internalisation of the principles for organic farming. This will mean more than detailed standards. It is important to have a good balance between detailed rules and the possibility for regional implementation. There will be a continuing process of developing new areas of regulation. This has to build on practice, so before becoming legislation, standards can be used and developed on the basis of a set of principles, as in IFOAM Basic Standards or as in the Codex Alimentarius Guidelines.

Increased transparency and consumer participation in all the activities (rule making, certification procedures, certification bodies, marketing, a o) is seen as crucial for a continuous success of a healthy and credible organic sector.

Trustworthy certification is crucial for the consumers trust, but on the other side there has to be understanding among the consumers, that dealing with organic production is not always easy. Reviling fraud is proof of good inspection, but there should be a learning process across borders built in to the certification system. There should be ways to reduce the costs of certification for producers and consumers, esp. avoiding excessive costs for small operators and costs for double certification.

Experiences show that when stakeholders are participating in certification body (either private or state) this is a very strong driving force to protect the brand. Engaged stakeholders from a broad part of the sector, from stable to table, secure and create credibility, trust and understanding for rules and routines.

RECOMMENDATIONS:
- Make the relevant authorities active protecting the concept of organic farming, by developing legislation, implementing that properly, and taking practical measures as support schemes and research.
- Recognise the need for the active participation of stakeholders in regulation, and secure the link between the sector and the legislators in the process from standards to legislation.
- That on an EU level develop new regulation and to update the regulation to new developments. There is a need for evaluating trade issues, esp. with the third countries. There should be programmed work on long term. The interested circles should be in formed, as to discuss and prepare work in the Member States.
- Secure connection between regulatory issues and research. On EU and national level means should be available to improve the scientific base of organic regulatory matters.
• Consider the role of IFOAM accreditation, when required procedures are satisfied.

• Authorities and private bodies should exchange information, and cross control must be promoted.

• Organic operators take more and more their responsibilities in correctly implementation of the production and inspection rules to keep fair competition and credibility to consumers.

• Burden of conventional agriculture must be put on their own side. As in the polluter pays principle.

RECOMMENDATIONS FROM THEME 4
Organic Farming and Multifunctional Contributions to the Environment and Nature

Organic farming is contributing with production of food of high quality, a broad range of environmental services, supporting tourism and conservation of nature as well as the economies of the rural areas. Also the maintaining and improvement of the soil fertility is an important contribution from organic farming. As such organic farming is multifunctional in every sense. And more than that organic farming is able to make a strong synergy between the multifunctional objectives.

Therefore organic farming as a part of the rural development scheme should be further strengthened in the mitt term evaluation of the CAP. Organic farming should be placed as a part of its own in the second pillar, and not only as a part of the agri-environment measures.

Research reveals that organic farming performs better than conventional farming in relation to the majority of environmental indicators. In no indicator category organic farming shows a poorer performance.

Though organic farming in general can be said to be more sustainable, the organic standards do not restrict transportation distances, water-use, energy-use in glass houses and other elements of the whole lifecycle of the product.

Organic farming in combination with the conservation of semi-natural habitats and field margins can play a key role in enhancing biodiversity and other environmental aspects.

Organic agriculture movements are helpful to reach the “sustainability of conservation” in protected areas through collaborative management.

The psychological and moral importance of farmers converting to organic agriculture, that results in increasing self-determination is not achieved in the same way through other agri-environmental measures as integrated farming, especially as a tool to keep farmers in the regions and to attract young farmers.
RECOMMENDATIONS FROM THEME 4

Organic agriculture is not to be seen as a stable but as a dynamic process serving as an innovator for benefiting the whole farming system. Therefore organic agriculture should be the leading model for the CAP.

RECOMMENDATIONS:
- Private and regulatory standards should include some elements of wider sustainability (energy, waste, water use) as well as landscape ecology into the organic standards.

- Organic farming as a part of the rural development scheme should be further strengthened in the mid term evaluation of the CAP. Organic farming should be placed as a part of its own in the second pillar, and not only as a part of the agri-environment measures.

- It is important that the agri-environment schemes fit the organic farming system so that organic farmers are compensated for their contributions to the environment and to combine the support for organic agriculture with agri-environmental measures.

- Member States and the EU should establish stricter environmental legislation where the environment clearly suffers from conventional farming. It will level the playing field with organic. Ambitious levels for Good Agricultural Practice (GAP) as a base for conventional agriculture will give organic agriculture advantages because they are applying the measures already. No subsidies should be given if laws and GAP are not met.

- In order to stimulate local economies and to reduce animal suffering, spread of diseases and environmental impact, Member States and EU should restrict live animal transport to 4 hours or 300 km, increase transport prices and stimulate regionalisation of production and processing via rural development measures.

- Education and awareness raising of consumers and farmers is contributing to a healthier environment, therefore this should be taken up by EU and governments.

- More research on environmental indicators and on benefits (e.g. health) of organic agriculture should be initiated.

- A European Actionplan for organic farming should be seen as a driving force within the new CAP reform stimulating the current farming system to take further steps towards quality in the food chain and the environment. But should also analyse and assure the connection to other measures outside the DG AGRI area. To cope with this, structures for cross sector co-operation should be evolved both inside and outside the EU institutions.
RECOMMENDATIONS FROM THEME 5
Processing and Marketing of Organic Products

Key recommendations for the European Action Plan for Organic Farming were in the following areas:
- Market development
- Supply chain development
- Processing
- Financing change

MARKET DEVELOPMENT
*Engage and inform citizens about organic food*

The Action Plan should seek to identify a variety of best practices amongst member states for the development of an effective dialogue with members of the public - to inform them of the benefits (environmental, social, food quality, health) which may be derived from the consumption of organic foods.

The Action Plan should consider the role of government support for generic promotion of organic products - to make visible to the public the reasons why policy support for organic production is relevant to the public in helping to meet important policy goals (whether of environmental, social or human health protection). The definition of the benefits is key to maintaining primary food production - and may help to encourage people to stay in farming. Further research in many areas is necessary to understand the diverse benefits - particularly in food quality, consumer trust and integrity. Further research is also necessary to better understand the way in which members of the public engage with organic food - very visible exhortations to be green, an ‘eco-warrior’ may put people off making a purchase.

All parts of the food chain - farmers, processors, retailers, cooks, should be responsible for the development of appropriate models for communication. Several models for public education have been developed in countries throughout Europe - taxation on pesticides (2%) is used to provide money to support a generic promotion campaign. In Denmark, generic promotion has been a key part of the government policy in support of organic sector development.

ENCOURAGE INSTITUTIONAL PURCHASING

The Action Plan should encourage member states to explore the scope, including costs and benefits for institutional purchase of organic food - for example schools, local authorities, hospitals. This provides a very visible way to encourage the production base, provides citizens with an example to follow and acknowledges the role that organic food and farming can play. There are already good examples of this in some countries.
RECOMMENDATIONS FROM THEME 5

ORGANISE WITH ALL PARTS OF THE CONSUMER MOVEMENT
The Action Plan should identify the ways in which member states can encourage collaboration between all parts of the consumer movements around the key issues for organic farming.

RECOGNISE AND WORK WITH GENDER ISSUES IN MARKET DEVELOPMENT
The Action Plan should seek to find ways in which women's organisations and the role of women can be employed to achieve stable market development.

Targets to encourage appropriate organic market development
The Action Plan could consider the opportunity for the development of specific targets to assist in orderly and fair market development. Some key indicators are as follows:
- Domestic consumption and supply, rather than imported products - to encourage regionalisation and local supply.
- A fair price for producers - reflecting the cost of production and providing an adequate return to producers.
- Proportion of local sales to encourage the shortest supply chain - both to assist in improving the environmental quality of the organic supply chain and to develop a strengthened bond between producers and other citizens.
- Enhanced access to all members of society - particularly targeting the less well off.

SUPPLY CHAIN DEVELOPMENT
Co-operation in marketing for supply chain development
The Action Plan should recognise and build on the role of co-operation to enable secure supply chain development that ensures supply of suitable raw materials for processing whilst also stabilising and enhancing the position of the producer and the economic return to primary production. The critical points in the supply chain must be identified. These will vary between and within countries. This diversity must be acknowledged and protected.

Ethical trade and adequate prices to ensure a fair return to producers
The Action Plan should encourage the development of fair pricing structures and ethical trading relationships based on the principles of fair trade and which ensure an adequate return to producers, whilst recognising the diversity of production systems and contexts within and between countries.

PROCESSING
Continue to develop and review standards to be the ‘guardian’ of organic integrity
Organic standards represent the most important ‘guardian’ of organic quality - there is a need for the Action Plan to set a framework for the ongoing development of organic standards. This must encompass incorporation of new areas of control (for example ethical, fair trade and local supply issues could be considered).

As the market for organic foods develops, issues relating to organic processing must be kept under review. The established organic sector must work in partnership with regu-
RECOMMENDATIONS FROM THEME 6

latory bodies and food businesses to set coherent limits to the introduction of new processing techniques or production aids that may compromise organic integrity. There are several conflicting positions with regard to the introduction of new processing or production aids:

- “Avoid every new additive”
- “The only way to ensure safe food is through the use of additives”
- “Some traditional foods need additives - without them we risk losing identified foods”
- “It is necessary to include additives which allow the production of the organic equivalent to every conventional food on offer”

The resolution of these conflicting positions is an urgent task - if not resolved the integrity of the organic offer is compromised.

ENCOURAGE THE DEVELOPMENT OF SMALL SCALE AND ON-FARM PROCESSING

The Action Plan should seek to address barriers to small scale (including on-farm) processing from the point of view of excessive regulatory burdens which favour large scale and centralised processing facilities. Where possible, ways to overcome these barriers should be identified.

Financing development

FINANCING MODELS

There are many new approaches being developed by some governments and the financial services sector - innovative investment products, tax breaks for ethical and green investments provide the opportunity to provide much needed inward investment for the development of organic businesses (including farms, processing, distribution, retailing etc). The Action Plan should seek to develop strategies and rules for beneficial financing models.

RECOMMENDATIONS FROM THEME 6

Organic Food and Farming in the New Market Economies of the Central and Eastern European Countries

In the new market economies of Central and Eastern Europe (CEE) specific opportunities and constraints are influencing the further development of Organic Food and Farming.

Opportunities are (generally speaking):
- Relatively extensive agriculture
- Currently relatively expensive inputs
- Cheap labor
- Cheap land
- Large areas with good agriculture land
- Large areas with high biodiversity values
RECOMMENDATIONS FROM THEME 6

Constraints are (again generally speaking):
- Un(der)developed national policies and budgets
- Unclear situation of land ownership
- Lack of management skills
- Lack of investment capital
- Lack of institutional development

This specific situation calls for the development of a Regional Action Plan for Organic Food and Farming for CEE, as part of a European Action Plan.

This Regional Action Plan needs to address common action, in good partnership between the involved countries. It needs to receive specific support from international financing institutions and programmes (e.g. SAPARD, Phare, Tacis, Stability Pact, Danube, Black Sea, Baltic Sea programmes) as well as from bilateral programmes and national budgets.

Since it requires the support of Ministries of Agriculture and Environment in CEE it should be discussed and launched by organising a conference of high level representatives from these Ministries with business representatives, NGO’s, researchers and donor organisations. Recently the Meeting of Environmental Ministers of the Danube-Carpathian region (14 SE European countries) in Bucharest supported this plan.

It should be clear that:
- An Action Plan in each country or region needs to be part of a comprehensive policy on Agri-Environment or Organic Farming. Individual policy instruments like direct payments or certification are important, but not sufficient.
- Successful development and implementation of such policies requires participatory involvement of all stakeholders, and in particular of NGO’s.

The Regional Action Plan, subsequently also the underlying National Action Plans, need in these countries to address specifically (here again is tried to list the specific needs for the region, which are additional to general needs):
- develop and harmonize legislation and certification
- the contradiction between policies (e.g. tax benefits on fertilizers vs. agri-environmental policies)
- the gap between regulations and their enforcement
- institutional strengthening (in particular empowerment of organic farmers organisations)
- establishing and strengthening of international networks on different levels, aiming to exchange experience within CEE and between CEE and EU
- information (research and education, consumer awareness)
- financing opportunities (meager state budgets and lack of private capital)
- specific financing instruments/investment schemes for the organic market chain
- international support facility for policy and technical assistance
- development of both internal and export markets, the latter with proper access to the EU
- the social context of sustainable rural development (no organic neocolonialism in CEE)
RECOMMENDATIONS FROM THEME 7

The European Action Plan - Process and Content

WHY AN ACTION PLAN?
- because organic farming delivers public goods
- because there is a growing market
- but in the end it must be a political decision (to support a range of policy objectives and correct deficiencies)
- needs high level political support

KEY ELEMENTS OF AN ACTION PLAN
- Informing the consumer - to further stimulate demand
- Improving the functioning of the organic chain - information, research, enhance credibility of certification process
- Financial support for organic farmers - to correct imbalances in competitiveness, to facilitate long term confidence
- Reviewing related policies - general CAP rules, other state laws, tax issues (VAT?)

IMPORTANT TO HAVE CLEAR OBJECTIVES BASED ON COLLABORATION OF ALL STAKEHOLDERS
- Organic Council type structure - to stimulate dynamic interaction and broad consensus
- Leadership from organic sector (but requires capacity building)

Focus at right level of responsibility
- EU, national, regional, CEE, sectoral, etc

Follow up and further development
- Finance - for action plan development, secretariat, organic council, implementation

ISSUES
Supply ‘push’ driven or demand ‘pull’ driven?
- must be holistic and balanced with a range of approaches targeted to identified needs

EU structures to support an action plan
- nothing in place and no precedent, so need to think creatively

How to support organic sector (IFOAM EU Group) to give its leadership contribution?
- Support for the action plan
- all member states here - up to all of us to lobby back home.
RECOMMENDATIONS FROM THEME 8

RECOMMENDATIONS FROM THEME 8
Communicating with Consumers

RECOMMENDATIONS ON CONSUMER ISSUES
During the last decade there has been a major conversion from conventional to organic farming. In many European countries between five and ten percent of the agricultural area has been converted to organic food production.

The conversion to organic farming is often strongly supported by the national governments, agricultural organisations and movements and especially NGOs, who seek to utilise the multifunctional benefits that are connected to organic farming with respect to the environment, nature quality, rural development, animal welfare etc.

However, it is obvious that a further development of organic farming depends on the consumer demands for organic food products.

Despite the growth of the European organic market in the last years, the present market share of organic food in Europe remains quite low (app. 1-2%). Organic products still occupy a niche position globally. On the other hand, in most European countries consumer studies reveal that a majority of consumers are interested in organic products.

In theme 8 “Communicating with consumers” the barriers and possibilities for increasing consumer demands were discussed.

There seems to be several barriers responsible for the still low market share of organic products:

- poor product availability, visibility or recognition
- higher prices than conventional products
- consumer mistrust of organic standards and labels
- lack of knowledge on the benefits of organic products
- experiences of low or uneven quality products

On the basis of this discussion the following recommendations are to be considered in the process of generating a European Action Plan for organic farming.

INCREASING ORGANIC CONSUMPTION
Studies indicate that the most frequent reasons given by people who are interested in - but not - buying organic products are that they don’t know how to recognise and find organic products. They may be confused due to the large number of marketing terms and labels used to make food more “green” in the consumer’s eyes and they are not able to distinguish between organic and pseudo-organic products.

In other cases there may be a problem with the availability of organic products (for instance in countries where organic products are not commonly available in supermarkets).

Concern about the price differences to conventional or integrated produced food is
another major barrier for many consumers. But it seems that consumers who are well informed about organic farming labels, standards and certification systems, are relatively less price sensitive and willing to undertake higher efforts to find organic products.

An important task in overcoming these marketing deficits is thus to make it possible and uncomplicated for interested consumers to buy organic products, for instance by supporting the use of well known organic labels by suppliers and retailers. The present EU-logo is not seen as a good solution as it can easily be mistaken for the reagional food logo. Also there has been no promotion budget for the EU-logo.

Furthermore, a more direct payment for the multifunctional benefits of organic farming will reduce the price differences between conventional and organic food and thereby increase the consumption of organic products.

CONSUMER PERCEPTIONS AND PREFERENCES
Lack of knowledge and misapprehensions about consumer perceptions and preferences can lead to conflicting communications and failed marketing and product development strategies.

A better understanding of consumer behaviour, their perception of product quality, and their knowledge of the benefits of organic products is therefore essential in order to develop successful communication between producer and consumer. This could be achieved by an intensive 2-way communication between consumers and producers and by involving the consumers into the organic movement. By these means more accurate predictions about future market opportunities will be possible.

In order to make careful decisions about buying food, the consumers must have adequate information. In this context, there is a need to develop clear public communication strategies on how to inform consumers on the overall benefits of organic food and organic farming. Intensive research is needed to get “hard facts” that can be used to directly compare organic and conventional products.

THE QUALITY OF ORGANIC FOOD
The production of healthy food of high quality is a fundamental aspect of organic farming and also a major driver in consumer demand for organic products. Research on understanding and improving the quality of organic food should therefore be undertaken.

The quality of a food product as it reaches the consumer depends on many factors, most of which are not explicitly controlled through the organic certification. Food quality consists of both ‘inherent qualities’, which are connected to the product itself, and ‘organic qualities’, which concern the benefits connected to the production process.

Some inherent qualities, such as storability, look and taste, can be experienced directly by the consumer. Others, such as the contents of beneficial and harmful components in
RECOMMENDATIONS FROM THEME 8

the food, have to be investigated and communicated before consumers can evaluate them. However, both types of inherent qualities can be crucial for the decision of the consumer to buy organic again later. If just a few percent of organic products are clearly inferior in taste or storability, or if their safety or health value is challenged, many consumers will switch to prefer the cheaper, conventional products. On the other hand, food safety problems in conventional agriculture can make consumers turn to organic products.

The organic qualities are for example benefits for the environment, nature and animal welfare as a consequence of how the organic products are farmed and produced. Generally, these benefits only enter into consumer decisions by way of communication.

CONCLUDING REMARKS:

The classical recommendations:
- Strong organic logo/label/seal
- Generic campaigns
- Training of staff (& ourselves)
- Educational activities
- Linking farms and cities
- Research and knowledge transfer

THE SLIGHTLY RADICAL RECOMMENDATION:
Create a real partnership with consumers

THE VISIONARY RECOMMENDATION:
Engage in conversations

Don’t simplify the organic message -

Be the message -

Got the message?
RECOMMENDATIONS FROM THEME 9

Research as a Tool for Development of the Organic Sector

During the last years, the European public perception of agriculture has changed. Consumers’ expectations and needs concerning food quality and safety are contributing to the evolution of the agricultural production systems towards more environmentally, economically and socially sustainable practices.

Organic farming deals in many ways with the problems faced in modern, conventional agriculture and food production. Concerns for the environment, biodiversity, animal welfare, product quality, safety, nutritional value etc. are essential ingredients of the philosophy behind organic farming. Research in this area can therefore be expected to reap considerable benefits for agriculture and society in general.

In order to become a tool for a sustainable development, future research initiatives must consider market demands, while preserving the values associated with organic principles. A major aim is therefore to secure production, and the relationship between the inherent and organic qualities of a product.

Future research initiatives must emphasise on the development of sustainable production systems that build on a desire to actively sustain appropriate conditions relating to wildlife, the environment, animal welfare and health, food quality etc. The objective is that the organic principles can be directly associated with organic products such that the latter stand out as a real alternative to conventional produce. Clearly, this is something other and more comprehensive than goal-oriented research that tries simply to reduce the problems associated with food quality, animal health, or environmental stress.

Essential to the achievement of these goals is the development of appropriate research methodology and a close dialogue with the users of the research findings. Because of these objectives and the complexity of organic farming it is necessary to focus on a development of research that is holistic, relevant and of high quality.

On this background a number of European countries has undertaken major research initiatives within organic farming. Likewise the European Union expect that OF will play a decisive role in improving food quality in the Europe of the future. The European Community Framework Programmes for Research have thus provided some funding opportunities for different kinds of research activities and networking on organic farming.

There are a number of tasks, which should be dealt with on a national and European level. In the following a number of recommendations on future research in organic farming are given. The recommendations are contracted from the speeches and the discussion in theme 9, and should be seen as an input to a European Action Plan on organic farming.

1 Relevant and adequate research
In order to elucidate the ideas and problems of organic farming it is also necessary to
RECOMMENDATIONS FROM THEME 9

ensure that the research system focuses on the most relevant challenges. If this is done in an appropriate manner, research has the potential to be the crucial factor driving organic farming quickly and substantially forward. As a matter of fact, the productivity, and the economic and ecological performance of organic farming should not be discussed without discussing its potential by strengthening and reassessing national and EU research activities.

Agricultural research has often neglected organic farming and considerably less private-sector research support, such as from pesticide and seed companies, is allocated to organic farming. Therefore presentations of research needs turn out to be long lists of top priority.

In a European Action Plan for organic farming it is necessary to prioritise research within the following themes:

A STABLE PRODUCTION OF ORGANIC FOOD
There is a big demand for many organic foods. The research community will be expected to find solutions to the problems and limitations, which still hinder the development of organic farming. It is essential to achieve the best knowledge in order to develop organic production techniques and economic optimisation strategies. Suggestions for keywords are crop production systems, animal welfare and health, utilisation of plant nutrients and reduction of losses, host plant resistance mechanisms, plant defence systems, polyculture techniques etc.

ORGANIC FOODS OF HIGH QUALITY
Research efforts should be oriented to further improve the performance of current organic production systems to achieve better quality and diversified products and stable productions, which will contribute to render organic foodstuffs more competitive on the market. The research must have origin in the basic organic principles and must address themes like food quality and safety, food processing technologies, food preservation and packaging. Finally the research should include the whole circle - from soil to table to soil. Suggestions for keywords are food quality, food safety, nutritional value, taste, texture and processing properties etc.

LONG-TERM AND SUSTAINABLE PROGRESS OF ORGANIC FARMING
Consumers and the society in general expect that the production systems used in organic farming contribute to the nature quality, animal welfare a just social development etc. Research in this area should contribute to the sustainability and the long-term progress of organic farming. The sociological research and hence the understanding of the consumer expectations and demands is also essential to develop the organic sector. Suggestions for keywords are ethics, animal welfare, genetic resources, landscape and biodiversity, social issues, environmental impact etc.
COHERENCE BETWEEN PRACTICE AND PRINCIPLES
Through research it is possible to establish a better coherence between regulations for organic farming and the basic, organic principles and ideals. At the moment several regulations express a compromise between a desired form of production and what is expected to be possible in practical farming. However, research and innovations can often move what is possible in practical farming.

For example, there seems to be a need for the development of appropriate methods for free range animal production (especially poultry and pigs), considering environment, animal welfare, animal health, product quality and production economy. Likewise, there seems to be an acute need for research in pathogen-resilient organic cultivation systems as alternative to the present use of pesticides containing copper.

2 Ensuring high quality research
Due to the principles and the complexity of organic farming it is necessary to focus on development of research that is holistic, relevant and of high quality. Essential to the achievement of these goals is the development of appropriate research methodology and a close dialogue with the users of the research findings.

Organic farming research methods include:
• Obtained knowledge should be reproducible and communicable
• Use systems and multidisciplinary approaches (re-scaling continually the focus of research, e.g. cell, plant, field, farm, region)
• Considering both short and long-term impact on agro-ecosystems
• Integrate view of stakeholders, e.g. farmer, processors, consumer, nature conservationist (participatory/action research) based on organic values

Because of differences in methods and relevance between research in conventional and organic farming, proposals for research in organic farming often do not match the existing criteria of research funds. Without a major change of evaluation procedures, organic farming research will become ‘conventional’ step by step. To avoid competition between organic farming research and fundamental research in molecular biology, separate programmes for organic farming research need to be set up. Such programmes ensure a level playing field for fair competition, namely between organic farming projects.

3 Organisation/Organising of research
Further progress in organic farming cannot be obtained by improving or changing ‘vertically’ single parts of the landscape, the farm or the individual production technique without regard to the horizontal interactions and the fragility of agro-ecological systems. Although research of relevance for organic farming can be undertaken by many different research groups and in different disciplines, organising organic farming research within the currently completely segregated agricultural research structures is not appropriate - indeed, such an approach may even be lethal to organic farming.

The prerequisite to strengthening research in this field is to have strong and efficient
core structures or schemes (national or regional hubs) which support specialists in com-
plex research programmes. These hubs can be organised as a leading institution, a
permanent forum of researchers or a strongly facilitated co-ordinating centre.

RECOMMENDATIONS
When addressing the productivity and the economic and ecological performance of
organic farming it is necessary to consider national and EU research activities. In the
process of creating a European Action plan for organic farming, the following steps
should be considered:
• Research in organic production and processing must have high priority in national
and international research efforts in the coming years.
• Separate EU and national programmes for funding, procedures for evaluation and
selection of research projects in organic farming should be established.
• The EU Framework programmes are essential in strengthening the overall
performance of European research in organic farming. Among others, it is important
to establish networks of excellence in organic research and utilise the possibility for
EU funding of co-operation between national research programmes. Education and
extension as well as participatory or farmer- driven research should also be possible.
• Co-ordination systems in order to secure the relevance of research should also be
established at the European level. E.g. gather the needs for further research from
farmers, processors, consumers, institutions (certification bodies, etc.) and to
evaluate research results according to their ability to meet those needs.
Whole cycle-research from soil to table to soil should be the frame.
• A permanent European network compiling the research projects in progress, project
results and scientific publications throughout Europe should be established.
• Efficient organisational structures to ensure collaboration and quality in research (e.g.
a leading institution, a permanent forum of researchers and/or a strongly facilitated
co-ordinating centre) should be established.
• Scientific conferences on organic farming should regularly be conducted basis in
co-operation with IFOAM.
Ms. Ritt Bjerregaard (DK)

The Need for Partnership and Action in the Development of Organic Food and Farming in Europe

Ladies and Gentlemen!

On behalf of the Danish Government I am very happy to welcome you to this conference.

The decision to organize this conference is based on a European vision that organic food and farming be developed much further in the whole of Europe - thereby securing a better environment, a better food quality and safety, a better animal welfare, a stronger rural development and a reorientation of the European consumers’ awareness of the true qualities of food.

The fact that a very broad range of ministers from all over Europe together with representatives of a range of key organizations in Europe have decided to attend this conference is a strong evidence of a shared vision.

Expanding organic food and farming in Europe is of course a major task. Strong partnerships and ambitious actions are therefore needed.

I hope very much - and I am in fact quite certain that we will all do our best to make use of the next two days to create a strong platform for such partnerships and actions.

It has been important to us that not only EU but Europe as a whole should be covered by the conference.

We also want to signal that the conference should cover the whole food chain from stable to table, e.g. the whole way from production via processing, marketing and retailing to the consumers.

The title also implies that the conference is intended to address the need for partnership and action. This is not to say that we haven’t had any partnerships or actions in Europe so far. Without a lot of partnerships and a great deal of action, especially between and from the grassroots the organic sector would not have been what it is today. I think we should acknowledge the grassroots for this important contribution.

But if we want to develop further the organic sector in Europe then more partnerships and more action are needed.

The decision to organize the conference was among other things based on the experience from the conference Organic Farming in the European Union - Perspectives for the 21st Century in Vienna (Baden) May 27th to 28th 1999.

By adjusting the recommendations from the Vienna conference in accordance with the latest development in Europe - and by choosing a very action-oriented approach we hope that the Copenhagen conference together with the Vienna conference will be able to create some tangible results.
Hence my vision is to reach a conclusion stating that partnership and action is needed - and that this is best secured by initiating the work with a European Action Plan.

A European Action Plan should analyse the barriers to and the potential for further growth within production and consumption of organic products in Europe. It should also present a strategy to realize the potential and overcome the barriers.

Based on the Danish experience it is very important that the process towards a European Action Plan involves and commits all stakeholders within Europe as a whole, including the European Commission, national governments, consumers, farmers, producers, retailers, NGO’s, researchers and other important stakeholders.

I think that we are all becoming more and more aware of the opportunities attached to the organic production methods.

For example I would like to highlight that the organic movement had the courage to:

- Ban chemical pesticides. This ban has initiated the search for stronger seeds and functional predators.
- Ban on chemical fertilisers. This ban has raised the need for a search for an optimised rotation of crops and other sustainable techniques.
- Ban on unethical animal husbandry - which has secured a search for stronger breeds and balanced production-systems.
- Ban on GMO - which has motivated researchers to look for stronger seeds and breeds.

The fundamental characteristics of organic agriculture offer us alternatives to some of the problems in the conventional and more and more industrialized agricultural production system.

The BSE crises, the threat from foot and mouth disease and the heavy critics of unethical transport of livestock underline the need for new ways of thinking.

What I talk about is the courage to reject main-stream solutions and move to a situation where holistic, innovative and critical thinking is a precondition to further development.

The organic movement sometimes argues that a demand for further growth in the organic sector will risk the watering down of the organic principles. Or in other words growth can only be secured by compromises concerning definitions of the organic criteria such as: More additives allowed, more flexibility as regards animal welfare etc. etc.

I understand the argument, and I fully agree that growth shouldn’t be realized at the expense of clear and consequent principles.

But I do not agree that this will happen.

A higher priority to the funding for research and development targeted towards the organic sector is one of the solutions. This will help us identify a range of new techniques compatible with the organic principles.
Better conditions for trade across borders is another solution. This will improve trade and thereby also the conversion of land.

One of the classical arguments from the conventional farming society is that the organic principles leads to small scale and old fashioned production which is not in line with a modern society entering the third millennium.

I do not agree with these arguments.

Organic agriculture does have the potential for a large scale and very efficient production.

Let me just mention the box schemes (deliveries of organic products directly to consumers) which are today significant market players in many European countries. The largest Danish box scheme supplies more than 15,000 Danish families - and as you are all aware Denmark isn’t that big a country.

In Denmark it has been proven that organic agriculture is also compatible with relatively large farms and with a very efficient production system.

The resources involved in research and development in organic food and farming are still rather limited when compared to the resources involved in research and development in conventional farming methods.

Organic research projects are characterized by a system-oriented and holistic approach which often involves co-operation between different scientific disciplines.

Unfortunately it seems that the sources funding these projects are not always evaluating the organic projects in accordance with these specific characteristics.

If we are able to change this and give a higher priority to a holistic approach, research and development will be a very important contributor to the further development of organic farming.

Due to the importance of research one of the thematic sessions in our conference has been dedicated to this issue.

Apart from research there are also other important tools which might facilitate the development of organic food and farming. Some reorientation of the Common Agricultural Policy towards a greater sustainability would enable the development of such tools. Therefore two of the thematic sessions have been dedicated to the CAP and the multifunctional contributions from organic agriculture.

The ambition to develop further organic food and farming in Europe also points at the need for a better and a more simple regulation.

The implementation of the EU-regulation on animal production has not been without problems. This is perhaps not surprising given the level of details embedded in the
Regulation and its annexes. There are detailed rules about even minor elements of a stable construction and not all the rules are equally relevant everywhere in a European area spanning from southern Sicily to northern Finland.

Together with a more simple regulation we also have to strengthen our control across borders. The steep increase in trade makes the sector more vulnerable to fraud as some recent cases have unfortunately shown. There need to be reliable systems of tracking and verifying the origin of products and a rapid system of information exchange between control bodies.

Since control and regulation is an issue of high importance we have also dedicated a thematic session to this issue.

In fact we have also dedicated another session to a question closely linked with regulation. Hence the possibilities for trade in Europe are also dependent on relatively uniform rules. However I think that the situation today is not quite satisfactory. In many ways the internal market has not yet arrived in organic trade. The existence of a multitude of national, regional and private organic labels create effective barriers to trade. Bureaucratic - and sometimes resource expensive - negotiations with foreign certifiers with a high degree of complexity deter many smaller and medium sized food processors from launching their product in other countries.

We also have to deal with consumers. At the end of the day the choice of the consumer determines the potential for organic agriculture. In Denmark consumption of organic products has today moved beyond the segment characterized by high attention towards environmental concerns and high interest in food produced in a natural way with only limited processing involved. How should we communicate with a wider range of consumers in order to raise their awareness of the benefits linked to organic products.

We have dedicated a thematic session to this issue.

Also processing and marketing, which is an aspect of the communication with consumers, have been given a separate thematic session.

Hence one of the interesting challenges is to develop further the quality of organic products without endangering the underlying expectation for products based on natural and sustainable production principles. The organic producers have to face this challenge.

However, not only producers but also retailers have a clear responsibility for the further development of organic food and farming in Europe. Experience from Denmark in the middle of the 1980’es and most recently from United Kingdom clearly demonstrates that strategic initiatives in the retailing sector have a clear effect on the pattern of consumption. One of the very important moves is to link the producer and the consumer via marketing of local and regional products.

Apart from the retailing sector alternative marketing channels such as the earlier mentioned box-schemes can also contribute to this.
Unlike the supermarkets they do not have to balance their communication with interests linked to conventional products.

In order to underline the true European character of the conference we have also dedicated a thematic session to the special situation in the Central- and Eastern European countries. We are sure that valuable experiences can be exchanged and included in the European Action plan and partnerships can be established.

It is our intention that every thematic session should play a strategic role in identifying the key-challenges that have to be tackled in a European Action Plan.

I would therefore strongly recommend all of you - both speakers and participants to raise your voice in the thematic sessions thereby creating the best possible platform for partnerships and actions towards the development of organic food and farming in Europe.

Based on the valuable input I have had it is my intention to present a conference declaration tomorrow afternoon issuing support for an European Action Plan.

At the end I would like to express my gratitude for the preparation of this conference which has been undertaken by the programme committee, the international reference group and the national reference group.

Welcome once again - I hope that all of you will enjoy and benefit from the next two days.

Mr. Gunnar Rundgren (SE)
IFOAM - A partnership model for developing organic agriculture worldwide

The International Federation of Organic Agriculture Movements - IFOAM is the worldwide umbrella organisation of the organic movement. It was founded in 1972. As of January 2001, IFOAM consists of 696 member organisations and corporate associates in 101 countries.

IFOAM's mission is to represent the worldwide organic movement and provide a platform for exchange and co-operation.

IFOAM's major activities are to:
- Exchange knowledge and expertise among its members and inform the public about organic agriculture.
- Represent the organic movement in policy making fora.
- Develop and revise the international ‘IFOAM Basic Standards of Organic Agriculture and Processing’.
- Guarantee organic quality worldwide. The IFOAM Accreditation Programme ensures equivalency of certification programmes worldwide.
PLENARY I

Most IFOAM-members are organisations of farmers, processors, traders, certifiers, scientists, trainers and extension workers. The graph below gives an idea of how wide activities our members are engaged in.

Geographically our membership is also wide-spread. (see graph) although there is still a Western European bias with 40% of our members in Western Europe.

Within IFOAM the members can organise themselves regionally, e.g. we have a very active IFOAM EU group that act as the organic movement’s voice at the EU level. Member organisations can also organise themselves according to interest or field of activity, such as the IFOAM Accredited Certification Bodies, the IFOAM Forum of Consultants and the Farmers’ Group.

With its wide-spread membership both geographically and sector wise IFOAM is in a unique position to be a platform both for dialogue within the organic sector, but also with actors outside the sector, such as governments, international or regional organisations, conventional agriculture etc.

Of critical importance for the development of organic agriculture are issues related to trade and the credibility of products. On one hand, IFOAM is recognising the need for variations in how organic agriculture is performed under different agro-ecological conditions, on the other hand IFOAM is strongly supporting international equivalency of organic standards and certification requirements. IFOAM’s model for achieving this is the IFOAM Basic Standards and the IFOAM Accreditation Programme. This model has gained a lot of support from the private sector and is gradually being accepted also in the regulatory arena. In this context I also would like to announce the conference on international harmonisation in the organic sector that IFOAM will hold in Nürnberg in February 2002. There we will offer a platform for solving problems with equivalency between different regulatory systems and between regulatory systems and the private sector systems.

We are welcoming the initiative to create a EU wide Action Plan for organic agriculture. We also welcome that there is, at this stage, a commitment to the inclusion of all stakeholders in the process. Unfortunately, our experience from the implementation of the EU regulation 2092/91 is not so encouraging in that regard. While the organic sector had a substantial influence in the initial stages of the development of the regulation, this has gradually diminished. Drastically put: the right to define organic agriculture has been taken away from those who are practising it. The sectors own initiatives, such as the IFOAM Accreditation Programme, have not been properly integrated. The new interest in the organic sector should not lead to more micro-management of the organic sector by national governments and EU regulations - we need less of that.

I am aware of that the organic movement itself has not always acted fully responsible, especially not in the field of mutual recognition among certifiers, where minor differences in standards may have caused major trade distortions. IFOAM is strongly promoting mutual recognition between different certification systems. Ultimately this situation can only be solved if we disband the current dual-track system, where there is one governmentally regulated system and one private sector system “competing” in the market.
Our common aim should be to find:
- solutions that recognise the legitimate rights of the public, represented by governments, while recognising that the ultimate responsibility and credibility should remain with the sector itself;
- solutions that are flexible enough to accommodate the needs of a locally adapted agriculture and still harmonised enough to be the basis for international trade i.e. solutions that are best for the development and growth of organic farming.

Unfortunately, it is not only in the area of certification and standards where the influence of the organic movement is set aside. The same tendencies can be seen in other areas, such as design of support programmes and research.

IFOAM makes a strong call for that stakeholder involvement, consensus building and respect for the fundamental goals and values of the organic movement forms the basis for the development of the EU Action Plan. An EU Action Plan should recognise the organic movement as both developer and caretaker of the organic values and principles.

An EU Action Plan should also look beyond measures directed only to the organic sector. The organic sector doesn’t operate in a vacuum and there are many aspects of overall policies that has positive or negative implications for the development of organic agriculture, such as:
- General measures in the CAP - are they supporting organic agriculture practices or are they discriminating against them.
- Environmental regulations and taxes - will external costs of agriculture be internalised in the prices in the future? Repeated studies show that the external costs of agriculture amounts to somewhere in the range of Euro 300 per hectare and year. Organic agriculture would have substantially lower external costs.
- International trade agreements (WTO) - we should not only look into the implications for organic agriculture within the EU but also the implications for organic agriculture outside the Union.
- Genetic engineering and other technologies that may create serious direct or indirect problems for the organic sector.

Finally, let’s not only talk about problems and hurdles to overcome. We should not only ask what society can do for organic agriculture but also what organic agriculture can do for society. The real role of organic agriculture is not to be a recipient of subsidies, it is not even to be a market opportunity - be it niche market or mainstream. The real role is to be a seed of change for the whole society. Let us breed the organic seed into a beautiful flower!
Mr. Elliot Morley (UK)
Conference Speech

• It is a privilege to be invited to address this important conference, and my sincere thanks to you, Minister [Bjerregaard], for taking the initiative in organising it and for starting us off so well with an inspiring opening speech. I have also read the speech you gave in January at the Soil Association conference in Cirencester, England, at which Nick Brown, the UK Minister, also spoke. Your remarks left me in no doubt about the strength of your commitment to organic farming combined with a clear realism about what is achievable. I hope over the next two days we can be guided by that.

• The conference is about “partnership and action in Europe”. Anyone with even the most superficial knowledge of food and farming knows that agriculture and Europe are inseparable. We operate not only within the framework of the Common Agricultural Policy - and I hope in due course a further reformed Common Agricultural Policy - but also within EU rules governing a range of associated activities, including of course the setting of organic production standards. So it is absolutely right that we should come together to share our problems and find solutions in this European forum today.

• I want to offer a few reflections about one of the key aims of this conference, which is to set in train the development of a European Action Plan for organic food and farming. But before doing so, I will spend a few moments outlining what has been happening in the United Kingdom, because I think the experiences of different Member States must have a direct impact on what can be achieved at the European level.

• The UK is not yet among the market leaders for organic production. The Soil Association in the UK has produced figures which show us as broadly comparable to France, Italy and the Netherlands on a measure of organic produce retail sales per head of population. But on that same measure we lag well behind Austria, Germany and - above all - Denmark, whose sales-population ratio is four and a half times higher than the UK’s. These are crude measures, but they give some idea of the variation between Member States.

• But what is significant about the UK is the pace of change. At the 2001 Biofach trade fair we were highlighted as the country which had achieved the highest annual rate of growth in the organic sector. In a single year, from 1999 to 2000,
  - the value of retail sales increased by over 50%
  - the number of organic processors increased from 800 to 1,100, up by nearly 40%
  - the amount of land certified as organic or in conversion increased by 72%, up to 400,000 ha.
  - the number of producers rose from 1,500 to over 2,800, up by more than 80%
• How did this come about? As with every complex business, there are several factors at work, ranging from government support, through investment in marketing, to consumer demand.

• Let me pause on that last point. It is fundamental to the success of any business that
there should be a market for the product. None of our objectives for the growth of organic farming will succeed if we forget that fundamental truth. Whatever the benefits claimed for organic production, they will not be realised if people do not buy organic produce. That seems to me to be something that no realistic action plan - whether local, regional, national or European - can overlook. I am sure we will return to the issue frequently throughout this conference.

- As a Government Minister, it would be surprising if I did not say something about the role of support from public funds in encouraging this remarkable growth in organic production. In the UK, responsibility for agriculture is devolved to the separate administrations in Northern Ireland, Scotland and Wales, with responsibility in England remaining with the UK Government. This means that the arrangements for public support vary between the 4 countries, so I will concentrate on the arrangements in England, for which I am directly responsible.

- The principal support measure is financial assistance over a 5-year term to help farmers through the conversion period. The first scheme was introduced in 1994, as an agri-environment measure under the 1992 Community Regulations. In its first year the budget was £30,000, and just over 2,000 ha of land went into conversion. In the last full year of operation of the first scheme, before it closed in 1999, the annual budget was exactly £1 million more than that, and a total of 16,000 ha had been accepted into the scheme over those 5 years. Not a great achievement.

- When the present Government came into office in 1997 we noticed that the amount of land going into the conversion scheme was small. Far too small to satisfy our ambitions for organic production. So we brought in a new conversion aid scheme, running from 1999, with very substantially increased area payment rates. In the first year, the budget - which could have been spent twice over - increased from just over £1 million to well over £11 million. This year, the budget is £18 million. And next year it will be £20 million, and rising beyond that.

- The results are impressive. In the first year, 1,270 farmers were accepted into the scheme, compared with just over 400 in the previous 5 years under the old scheme. In the current year alone, we have 600 applications to place a further 45,000 ha into conversion, compared to the total of 16,000 ha under the old scheme. And the year is far from over.

- But it is worth remembering why we make these conversion aid payments. The payments are made under an agri-environment scheme. They are justified because the Government is satisfied that organic farming can deliver environmental benefits, and so contribute to achieving our goals of enhancing and protecting biodiversity and our natural resources. That is the reason. The aid scheme is not a production subsidy. Since consumers are willing to pay for the additional costs of organic produce, there is no reason for the taxpayer to subsidise them. Nor is the scheme based on a belief by the Government that organic food is somehow healthier or safer to eat, although we are ready to listen to hard evidence about these issues. Again, that is an important point for an Action Plan, and I shall come back to it shortly.

- Governments also have a duty under Community legislation to ensure that mandatory organic production standards are observed by producers. The arrangements put
in place vary between Member States, reflecting their traditions and circumstances. Some countries prefer a single centralised regulatory body. Others - including the UK - have adopted a more diverse system. You may be interested to know that we are currently reviewing the publicly-funded part of our regulatory system - known as “UKROFS”, the UK Register of Organic Food Standards - to ensure that the system is able to keep pace with the growth in the organic sector and with increased expectations about the performance of public services.

- Both approaches have their strengths, and there is no need for a single EU-wide model. What is important is that the arrangements which are put in place are truly effective in upholding organic standards so that consumers can have confidence in what they are buying, but without imposing unnecessary - and I stress unnecessary - costs on producers.

- What the regulatory machinery in the UK does not do is strategic planning for the development of organic production. Nor does the Government. If either of us tried, we would probably not do it very well. But there have been suggestions, growing in strength, that producers, retailers, consumers, land managers, regulators and Government could usefully come together to develop a shared view about the development of organic production. If there is real consumer demand for organic produce, it is important that markets are able to respond and that unnecessary barriers to that response are identified and removed. And there are difficult questions about the extent to which publicly-funded support should continue to encourage new entrants into organic farming. For example, will organic produce continue to be able to command higher prices if the supply increases significantly, or at the wrong pace?

- I am interested in the idea of all the stakeholders coming together to try and develop a common view on questions such as these. This might lead to some sort of action plan or development programme. Within the UK, Wales already has a national action plan. It would be for the other three countries individually to decide whether they wanted to pursue the idea.

- I now turn to Europe. The success story for organic production in the UK is being repeated right across the EU. This raises a rather obvious question: if we are doing so well, why do we need a European Action Plan?

- I hope that question will be answered over the next two days. Let me at this point make some suggestions of my own as to what it might achieve.

- First, a plan could bring together what is known and what can be predicted about the market for organic produce. As I said earlier in my remarks, understanding the market is critical, since there will be no organic industry if there is no market. Identifying the influences that encourage consumers to buy organic will be important. For example, how important is it to consumers that organic food is produced, sold and eaten locally, and what does that mean for the operation of the single market across the EU?

- Next, a plan might provide the analysis needed to underpin decisions at the European level - Council and Commission - which affect organic farming. Is there, for example, a need to develop further the standard-setting work? Can hard evidence about the claimed benefits of organic produce be brought together at the EU level so as to
influence decisions, including the next round of reform of the Common Agricultural Policy?

- Finally, the process itself of preparing a plan would be valuable. In talking through the issues, we would learn a great deal from one another. We would end up with a clearer appreciation of those issues on which action at the EU level can add value, and those on which national and regional differences must be respected.

- Let me conclude by wishing the conference well in the work that lies ahead. It will be an occasion for tempering vision with realism, and I look forward to our discussions.

Mr. Vaggelis Argyris (GR)
Conference Speech

Mr Prime Minister - Dear Ministers - Ladies and Gentlemen,

I salute with great interest this European Conference, which since May 27, 1999, seems to consist an instituted process, about organic farming and its perspectives. I certainly have to congratulate Denmark for its remarkable efforts and the initiatives undertaken in the frame of the European Family, aiming at expressing the viable rural system through a common strategy.

We therefore agree, not only concerning the Declaration, but concerning most of the points of the European Action Plan, as well.

Dear Colleagues - Ladies & Gentlemen,

We are experiencing a changing reality, where we ought to develop targets and strategies supporting it and standing the test of time.

It is therefore a fact that, agriculture and animal breeding as productive activities, because of the nature of the intensive production systems applied, we are now obliged to adopt conditions and requirements, demanding the protection of the environment and consumer's health.

**Organic farming seems to be the most appropriate answer**

Protection of the environment is not an obscure term; it has a specific meaning and content, since it concerns an indivisible and coherent whole of elements, such as:

- Protection of natural resources against exhaustion and degradation
- Improvement of local genetic resources
- Reversal of depopulation in certain areas
- Adjustment of farming systems to local eco-systems
- Taking measures to protect people affected by the secondary - processing sector and to offer them a higher living standard.

**Food safety and consumer's health protection are, of course, an unquestioned obligation**

The recent diet crises arise the necessity, in the most assertive way. This results, not only
from the consumption trends and the market challenges, but the Health Civilization itself, we have to heritage to the next generations.

We are forced to look into organic farming and food, under the sustainable rural development point of view and not as a single part.

Or, if you prefer, we might consider it as a sustainable type of farming, maybe not the only one, but certainly the most dynamic and, of course, supplementary to the other types or proposals of the Agenda 2000, that are desirable and necessary as action targets, as well.

But to return to the subject, organic farming answers to direct requirements concerning the protection of the environment and human health through food safety. However it doesn’t give answers to economic level, that is the production cost and the new system of inflows which is formatted from this kind of agriculture practice. And whether it is better for us all to wonder that; the price of a product from the market should cover
• The cost of new productive coefficients (since the inflows system is changing)
• and the cost for the protection of the environment from the producers themselves?

For all these questions, it is necessary that Europe should be expressed unified with new standards and new specifications for this type of agriculture to be competitive. The enforcement of a European project or an action plan on organic farming, in order to harmonize, co-ordinate and enhance the respective policies of the Member-States, could be a good start. Nevertheless, the ecology principles mainly, are instituted according to studies on the particularities of the European areas and regions.

In order to develop successful policies on creating economic activities, able to maintain - support local development, it is useful and dominant to promote the interesting proposal, submitted by Denmark to the Agricultural Council, in October 2000, on the establishment of a European Coordination Research Centre for organic farming, aiming at this promotion.

The task of such an advisory - Coordination Research Centre could be multiple and all the questions concerning areas and regions of Europe could be reported to that, in order to overcome obstacles faced due to special problems (a target also underlined in the draft declaration).

The adoption of a common strategy might include common structures, as well, such as the Advisory Research Centre.

Great deal of emphasis should be given, concerning information and training, considered necessary, both on producers’ and the wider social levels.

Protection of European Agriculture and European natural resources, consumer’s protection and the competitiveness of rural products in the markets, should be our main concern.
Organic farming operates as the main catalyst of a totally \textit{environmental-friendly agricultural development}, provided that its products, as standardized, identified products make up a percentage of classified quality products among other quality products (products of correct agronomical practices, appellation of origin and geographical indication products, traditional products e.t.c.)

DEAR COLLEAGUES - LADIES & GENTLEMEN,
Concluding, I would mention that I believe that no strategy may be determined or realised, if the agents concerned are not actively involved.
No governmental decision is enough.

The matter on the integration of policies and practices is very well-targeted, in the European Action Plan
- \textit{For the rural world}
- \textit{For the processor}
- \textit{For the trader}
- \textit{For the consumer}

We would like to express our appreciation to the Danish Ministry of Food, Agriculture and Fisheries, for this significant initiative, concerning organisation of regular and, we hope, with more to come, meetings, on development and promotion of a really important sector of the European Agriculture, explicitly included in the CAP provisions.

I warmly thank you for the kind invitation and hospitality, that makes me “feel at home”.

\textit{Mr. Corrado Pirzio-Biroli (IT)}
\textbf{Conference Speech}

It is my great pleasure to join you today in Denmark, to discuss a very interesting and important aspect of agriculture in Europe: - Organic Food and Farming: I would like to say a few words about the place of organic farming in the overall spectrum of modern agriculture, its significance in the light of changing consumer expectations, and how we can work together, in partnership to develop a common action strategy in Europe to develop the growth of the organic movement.

1. \textbf{FOOD SAFETY, DEMAND-DRIVEN MARKET, SUSTAINABLE FARMING.}
When the CAP was conceived in the wake of the devastation wrought by the Second World War, one of its main priorities was to ensure food supply. The approach was to pay subsidies to farmers and processors to produce greater quantities of food. When this led to surplus production, the CAP paid for the storage and export of the excess. Research provided ever-higher yields, farmers produced more and food shortages in Europe became a distant memory.
However there were negative implications to this production focused approach, due to the increased use of chemical fertilisers and pesticides, antibiotics and artificial growth promoters. Natural wildlife was destroyed to make room for larger machines to harvest crops, farms expanded and became more specialised and animal production became more intensive. The birth of the factory farm brought with it problems of unwanted effluent, polluted water and unnatural husbandry techniques which ultimately impaired animal health and meat quality.

Today, forty years after the birth of the CAP, contemporary Europeans expect to eat quality food, produced with respect for the rural environment and for farm animals. Farmers, too, can obtain added revenue by offering to the consumer products with added quality, and therefore added value. However, the bottom line of quality is food safety. All consumers must be able to depend on the safety of their food. The CAP does not exist to promote niche markets alone. Consumers from all walks of life and in all income brackets must be sure that the food on their tables is safe to eat. The future enlargement of the EU to include countries in which consumers’ spending power is limited, makes it even more important that we do not develop a two-tier system wherein the rich can purchase safe, healthy food and the poor must be content with the leftovers. Food quality means food safety for everyone.

Food safety requirements must be based on strict controls on all food products traced, when possible, from farm gate to table. Knowledge about the origins of food helps to ensure the consumer it will be healthy and enjoyable to eat. The anonymity of much of our food today has resulted in fears that it may have been produced with dangerous or unwanted additives, or in a way that some consumers would consider unethical.

Surveillance of food production in the EU means that in order to ensure consumer satisfaction, food imports must also be monitored. The problems encountered when dealing with some of our major trading partners, regarding the use of hormones in beef production and with genetically modified organisms, are founded on the real concerns of European consumers and citizens. We must not employ double standards.

Our primary goal, therefore, is to create a less intensive more environmentally friendly agriculture, in close correspondence with farmers, as they are the first and vital link in the food chain. Farmers must be involved as the future of our food rests on the future of our farmers. Alternative and innovative methods of ensuring safe food produce must be researched and embraced, and we must work together, throughout Europe, to achieve our objectives.

EU ministers at the recent informal Agriculture Council in Ostersund, Sweden recognised the fears of the general public concerning the sustainability of modern farming methods and how this affects the food chain. People are concerned about production methods on the farms and in processing plants. This has provoked a demand for improvement, a demand that a number of EU agriculture ministers are trying to answer. In March, Commissioners Byrne and Fischler held the first of a series of stakeholders’ round tables on the issues of Agriculture and Food. Both commissioners are also hosting an Internet chat on the same topic on the 6th of June at 18.00. Other round tables on Agriculture and Food will be held in the member states and a joint conference with the Parliament will take place before the year’s end.
The ‘mid-term review’ foreseen under the Agenda 2000 decisions will allow us an opportunity in 2002 to re-examine the working of a number of market regimes such as dairy and crops and examine how best to use our budget while staying within the imposed constraints. The review will occur within the framework of the decisions taken at the Berlin European Council. Our objectives have not changed but we need to examine new and more efficient ways of realising them. We must prepare this review well so that the Commission’s proposals can meet the hopes of farmers and the demands made by consumers and citizens.

2. ORGANIC FARMING - PART OF THE OVERALL SOLUTION
The widespread and growing concern over food safety in Europe, made more acute by the recent BSE and Foot and Mouth disease crises, has given a new impetus to the search for safer farming methods and sustainable agriculture. A number of consumers now see organic produce as a real alternative to mainstream agricultural production. Organic farming is defined by the Codex Alimentarius as farming which involves holistic production management systems for crops and livestock using, where possible, cultural, biological and mechanical methods instead of synthetic materials. The principles of organic farming are identical whether we consider crop products or animal products - the application of production methods that do not damage the environment, more respectful use of the countryside, concern for animal welfare and the achievement of high-quality agricultural products.

Organic farming positively affects the environment in a variety of ways. The strict controls on pesticides and on fertilisers results in little or no pollution of the soil, the groundwater and the surface water. Organic farming guidelines encourage extensive farming. This means a less intensive impact on the environment, a maximum use of renewable resources and a positive influence on the landscape. The restrictions on the use of chemical pesticides and medicines promote the use of plant varieties and livestock breeds, which have a high resistance to pests and sickness and are adapted to local conditions in terms of soil and climate. Hence organic farming leads to increasing biological diversity among plants and animals.

Organic farming is one of the most dynamic areas in the EU agricultural sector. As consumers increasingly demand high quality foodstuffs, produced under conditions that are beneficial for the environment and animal welfare-friendly, the market for organic produce continues to grow. The percentage of organic produce sold in the EU now accounts for 3% of food sold, up from 1% in 1992. To satisfy this demand in the EU, the number of holdings certified as organic or undergoing conversion to organic agriculture has seen a growth rate of almost 30% per year since 1988. In 1999, six Member States were above the EU average - Austria 8.5%, Italy 6.5%, Finland 6.3%, Denmark 5.5%, Sweden 5.0% and Germany 2.6%. The same Member States were already above the EU average (0.55%) in 1993 but the ranking was different - Austria (4.0%), Germany (1.4%), Sweden (1.2%), Finland (0.9%), Denmark (0.8%) and Italy (0.6%). The increase for Italy is particularly impressive.

Research in agricultural centres and universities is vital for the further development of agricultural methods which are sustainable in agronomic terms and which meet the
health and qualitative standards demanded by consumers. However, research is a time consuming and painstaking process. If at present only some 3% of the EU’s utilised landmass is ‘organic’ it will take some years to achieve a figure of around 20%.

The reforms of the 1990’s and most recently, the Agenda 2000 decisions have altered the support we provide for farmers. Product subsidy has given way to direct area payments and to animal premia which encourage less intensive farming methods. Today, 70% of the farm budget goes directly to farmers. Previously under the CAP, 90% was spent on food mountains and wine lakes. Funding for Rural Development and environmental measures has grown considerably and is seen today as an integral part of our overall policy, a veritable ‘second pillar’. The ‘second pillar’ of the CAP, is essential in facilitating agricultural sustainability. Responsible management of the natural resources on which agriculture is dependent is a basic necessity for sustainable development, emphasising the need to harmonise our actions with nature.

Confusion has often arisen regarding the differences between Organic farming and Integrated farming - they are in fact considerable. Integrated farming is less restrictive than organic farming, chemical fertilisers are not excluded, and it is less defined for animal production. In terms of animal welfare it is more or less the same as conventional farming as unlike organic farming there are no official codes.

Rural development policy has recognised the positive role of organic farming and taken several measures to promote its development. As well as the specific protection provided under our quality policy, the EU has also provided financial support in the framework of the agri-environmental program. This has contributed to its very strong development in recent years, albeit starting from a very low base, with organic farming accounting in 1999 for around 125,000 holdings and 3.4 Mio ha. We see organic farming as a valuable part of the process to improve food safety and quality and to increase the integration of farming practice. It may not be the only solution to our problems of over-industrialisation in farming but it is a key component in promoting viable agricultural production.

When discussing the role of EU policy in promoting organic farming, it is important to emphasise that organic food is based on trust. This is recognised in the EU’s quality policy, which provides against imitations and abuses of the term organic food and aims to fulfil consumers’ expectations. We must ascertain that announced changes in agronomic practice correspond to reality. Organic produce must not become an overpriced gimmick. It is too easy to stick a label on a product and expect the consumer to pay a higher price without offering any verifiable guarantees. Products marketed at a higher price, claiming special qualities, have to be verifiable. We must avoid a situation whereby some processors and producers take advantage of consumer fears in order to make easy money.

We hope that consumers will grow to recognise the Community logo for organic produce that symbolises this trust and that they will develop confidence in it. EU legislation on production and labelling standards for organic produce has applied to the crop sector since 1992. In 1999, the scope of Council Regulation 2092/91 was extended to include livestock products. It covers production, inspection and labelling. The aim is to
provide consumers with clear and accurate information and to provide guarantees on how this food is produced at all stages from the farm to the point of sale.

3. EU ROLE, ACTION AND POTENTIAL FOR ENVIRONMENTALLY FRIENDLY, INCLUDING ORGANIC FARMING.

The whole issue of food and organic farming has to be put in a wider context. World consumer demand, public and private, has increased sixfold since 1950 to around 25 trillion in 1998, with food representing a diminishing fraction of that. In the OECD countries alone, which produce 80% of world GDP and trade with only 20% of world population, food has plummeted as a share of personal budgets. In the non-industrial world, some five billion people live with less than 4 Euro a day and 1 billion of these live on less than 1 a day; although much of their personal budgets is spent on food, their limited purchasing power combined with subsistence agriculture means that their demand on the food market is, relatively speaking, limited.

The demand for organic products in Europe will very probably increase over the years as consumers and citizens become disaffected with current farming practices and the latter evolve. The capacity of organic farming to respond to this demand is certainly limited by the amount of time necessary to convert traditional farms into organic holdings. Today, Europe's organic farmers are in a minority. They are, in the main, men and women who are philosophically attached to the organic ideal. To convert a significant part of mainstream farming into organic will require much investment and significant incentives. These incentives should, ultimately, come in the form of consumer pressure and increased demand rather than product subsidies.

Increasing production and exports of ecological products is certainly as Minister Bjerregard says, vital for the development of organic farming, but supply ultimately depends on demand.

Much of the world's population, which lives in LDCs, does actually live on subsistence agriculture, which tends to be in many respects organic, with low productivity, low cost of production and low purchasing power. Consequently, most demand for food comes from the developed countries, which generally enjoy higher food productivity, higher purchasing power, but also higher production costs for organic production. Here, bio products are in fashion, but fashions are not naturally sustainable, and we can actually expect a decline in consumption of organic production in the short term as the BSE and FMD crises fade away. I understand this already is happening in Denmark where the sale of ecological products recently declined by 10%.

If there were no cost differential, the consumers would no doubt generally buy bio for the sake of it, without further ado. But as their shelf price is relatively higher, they, even the wealthier consumers, need to be persuaded. To that effect, they remain to be convinced that bio products are healthier (witness the positive market effects of medical reports describing the benefits of olive oil consumption), and that the bio labels are honest. Any action to contain prices would also help, quite besides opening the bio-market to less privileged sections of the population. But this is not easy.
Governments cannot impose consumer choice, because our economies are no more ruled by supply, i.e. by producers, but by demand, i.e. by consumers. As demand is driven by consumers and NGOs, governments have lost much of the decision-making power in economics. All governments can therefore do is to establish a legal framework helping to orient consumer behaviour in favour of more environmentally friendly farming and bio production.

The EU has been far from idle and yet can do even more. As decisions at world level are difficult to reach (look at the problems with the Kyoto protocol), the European Union represents an irreplaceable area of action. As the bulk of European food production more than satisfies European demand for temperate products, and two thirds of overall trade in Europe, after enlargement, will be internal, a common framework of rules for bioproduction should help encourage it, whatever non EU trading partners do in this respect. Common European rules can reduce the fears of bio farmers which are connected with different support regimes and competition problems vis-à-vis neighbouring countries. The EU role is to guide and stimulate organic production by creating conditions under which it can flourish.

To this effect, we do not need to reinvent the old CAP under a new name. Regulation 2092/91 already provides a framework within which organic farmers are protected from unfair competition - logos organised by the EU lend their products a credibility that can satisfy consumers as well as protecting produce. The Agri-Environmental programme provides structural aid. Regulation 1257 of 1999 is a broad umbrella that widely supports organic farming, by creating a system of financial support for farmers operating under this programme.

So where do we go from here? The commission has been looking at the potential for expansion of organic farming as well as the barriers against its further development in Europe.

Agenda 2000 has included provisions in the rural development policy to reinforce commitments made under EU Regulation 2078/92, notably on organic agriculture, and has provided for compensatory allowances for less favoured areas which have a direct impact on the environment. Under the new system, the payment of such compensatory allowances is limited to the respect of minimum environmental requirements (good agricultural practice). The Pollution Pays Principle calls upon European farmers to bear the costs that might arise from complying with “usual good farming practice” on their own. Anything delivered beyond this reference level can enjoy an extra-remuneration under the agri-environmental measures of Agenda 2000. A specific type of compensatory allowance can be granted, where farmers are obliged to observe region-specific statutory environmental requirements.

The respect of minimum environmental requirements is a condition for receiving support under the rural development programmes. This is also true for agri-environmental measures, but payments in the latter respect are only granted for commitments going beyond the reference level of good farming practice.

In addition, Member States can make use of the option of linking direct payments granted under the Common Market Organisations to the compliance with mandatory,
specifically defined environmental requirements - so-called cross compliance. Cross compliance has a great potential to contribute to sustainable agriculture.

Overall, the agri-environmental measures of Agenda 2000 remunerate farmers on a voluntary, contractual basis for providing environmental services. Member States have to decide on any appropriate sanctions for non respect of the conditions they have set down. This could include a reduction or cancellation of the benefits accruing from the support schemes.

Moreover, the Member States have now the possibility to modulate, i.e. reduce direct aids to the larger farms, and use the proceeds for additional agri-environmental measures. Only France - with its “contracts d’exploitation”, Portugal and the UK have so far made use of this opportunity. Germany and others are working on it. The attempt of the Commission (Mc Shary reform proposal) to make modulation obligatory in 1992 failed. The “mid-term review” of 2002 is an opportunity to try again.

Of course, all this does not go without problems. The take up of agri-environment aid is good in some countries, less in others. There is a need to strengthen the truly environmental aspects of these measures. The application of existing environmental directives in most Member States is found wanting (e.g. infringement proceedings against 13 Member States regarding the nitrate directive). There remains the risk of a dualistic agricultural economy, with increasing concentration of production in well-endowed regions and marginalisation of land use in disadvantaged areas.

Although much of all this does not specifically concern organic farming per se, many measures can have a positive impact on it, and as organic will remain a limited, albeit important and growing sector, it is important to do all we can to improve agricultural practices in Europe across the bord.

But we need to continue our common endeavours to promote supply of and demand for bio-products in Europe. It is worth reflecting for instance, whether we can find ways to reduce the price differential with ordinary production. The Commission is currently studying the competitive aspects of key agricultural product markets, as the share of shelf price ending in the farmer's pocket has diminished over the years. Is it possible to reduce the market price of organic production by cutting out the intermediaries, who siphon off a substantial amount of the sales price? Can a development of local and regional fresh produce markets help in this respect? I am no expert, but I believe we need to ask this kind of questions and deal with them.

I can certainly lend moral support to the idea of a European Action Plan for the development of Organic Food and Farming. We need to work together to achieve our objectives. That's what Europe is about. The worries and concerns of consumers and citizens cut across geographical and political boundaries. Food safety and quality are the concern of all of us. Steering European Agriculture into the new millennium is a challenge we must not fail in, an opportunity we must not miss. Organic farming is not the whole story, but it can be an important answer to the many questions and doubts people around Europe are expressing about food safety as well as a significant aspect of our drive to improve quality.
Mr. Peter Gæmelke (DK)
Conference Speech

Thank you.
Ministers, ladies and gentlemen. May I on behalf of all Danish and European farmers first of all express my gratitude to the Danish Minister of Food, Agriculture and Fisheries for the initiative to organise this conference focussing on the future perspectives of organic farming in Europe.

May I also acknowledge that so many ministers from the European Union, the Baltic countries and the eastern European countries, members of the European Parliament, other politicians, representatives of the European Commission and national authorities, researchers and all other stakeholders have participated in this conference and contributed to put focus on key elements regarding barriers and incentives for a further development of organic farming.

The organic sector has developed steadily during the last couple of decades. What started as an opposition to the predominant way of farming has now developed into an important and essential part of modern agriculture. The organic principles of production are focussing on producing safe food of high quality, on improvement of environmental sustainability and health and welfare of the animals. In addition the life quality of the farmers and employees have high priority, and organic farming is one way to increase the income for farmers.

Organic production is therefore an opportunity for both farmers and consumers.

In Denmark the organic development has been driven forward in close co-operation between the organic producers, the consumers, the authorities and the farmers organisations. The organic production is now an integrated part of Danish agriculture. As farmers and thereby managers of a very high proportion of the land resources in the world we have a responsibility to ensure that the environmental impact of the food production is sustainable and acceptable to the society.

It’s in the interest of all farmers to develop new production methods and create new markets for the agricultural products. The conversion to organic production is one way to improve the environmental impact from agriculture. Organic farming is therefore an important element in a future multifunctional agriculture, which is going to be one of the headlines of the future common agricultural policy in the European Union.

Therefore the organic development has been a great advantage for all Danish and European farmers by developing production methods that can be disseminated from organic to conventional production. All farmers - not only the organic - have great advantage of the knowledge about mechanical weed control, nutrient balances and utilisation, and many other key elements in the organic production. In this way focus on organic farming will not only improve the sustainability of the part of the agriculture that is converted to organic production - but to the whole agriculture.

Originally organic production was based on a few basic principles. Now the organic...
production is regulated by very difficult and complicated rules - the EU-regulation, national legislation and private standards.

This makes it very difficult for farmers to communicate the history of their products and production to the consumers. It is essential to start up a process to make the regulations more simple and understandable in order to be able to communicate the principles to the consumers. This is vital in relation to us farmers being able to observe the rules, for the inspections systems to administrate them, and to contribute to and ensure the essential consumer confidence and credibility.

In some sectors it is quite easy to convert to organic production, whereas there are serious barriers in others. That's why the organic dairy sector in Denmark has a quite high proportion of the production and market share whereas the pig sector is still far behind.

The barriers are in regard to production methods - lack of knowledge - which to a certain extent can be overcome by targeted research and development programmes. The barriers are also due to very high production cost leading to prices for the organic food exceeding what the consumers are willing to pay.

In Denmark almost 25 per cent of the fresh milk consumption is organic while only a little over 1 per cent of the beef meat is organic. This creates an unbalanced situation where the consumers only buy the milk and leave the farmers with a surplus of organic beef meat. We need to get more focus on the sustainable production in the organic concept.

In my opinion it's necessary not only to increase the research to overcome the barriers. We must also focus on the organic principles and regulations. We must reconsider whether the detailed specifications regarding for example the size of the exit/entry pop-holes in poultry houses or the detailed specifications regarding square metres for pigs is necessary.

We must consider whether these are the key factors for ensuring confidence and credibility regarding animal welfare and minimum environmental impact. In my opinion we should work on developing basic principles to ensure a high level of animal welfare, and the objective of the inspection systems should be oriented towards assessment of animal welfare directly.

Organic foods can fulfil consumers demands for food produced as close to natural conditions as possible. The development of the sector is totally dependent on the willingness of the consumers to buy organic food and therefore the market development. The market share is quite high for products with only a limited premium price, but close to nothing for products with prices exceeding conventional products with more than 20 - 30 per cent.

In order to talk about an organic agriculture and not only organic sectors within agriculture, it is absolutely necessary to implement measures to overcome the agronomic and economic barriers in the difficult sectors.
PLENARY III

The organic production has now reached a level, where international trade is important. There are, however, many barriers to free movement of organic products due to different local rules. It is essential that the barriers to trade due to different organic rules and principles are eliminated. The Internal Market must be established for organic products in the European Union. Promotion of the EU organic label should therefore also have high political priority.

Organic agriculture has in my opinion potential for further development, but the development is dependent on:
- Research in organic farming and processing
- Market development and consumers willingness to pay the price of organic food
- Elimination of the barriers to trade
- Development and simplification of regulations
- Consumers confidence and credibility of products and production methods.

These must therefore be key elements of a European Action Plan for further development of organic farming and food production. An Action Plan developed in an open process with participation of governments, organic organisations, farmers organisations, consumers organisations etcetera can be an important and decisive instrument to develop organic production and therefore giving advantages for farmers, consumers, the environment and the animals.

It will probably be a very difficult task and hard work to get to a consensus plan, but in my opinion we must all make the necessary effort. In COPA we are prepared to contribute as are national farmers organisations.

There are very good possibilities for a further development of organic farming. The most crucial element for future increase in organic production is, however, that the development is driven forward by an increasing and steady consumer interest and demand for organic food.

As farmers we are prepared to do all we can to fulfil the consumers demands - but at the same time we are totally dependent on a market and a willingness to pay a higher price for our products.

Thank you.

Mr. Timo Kaunisto (Fi)
Conference Speech

Organic production has become a remarkable alternative to traditional agriculture in a quite short time. In the beginning, there were a number of different natural methods in use. Nowadays, organic production is based on legislation, control and certification systems, which are valid in all the EU countries.

A strong demand among the consumers has been an essential factor for the increasing
of organic production. So far almost every market and nearly all the products have been insufficient. True, there is already oversupply in some products locally, like for example in milk. On the other hand, market situation varies very much from country to country. So, import and export of products are today an essential part of organic production market.

Organic production is still young and this means that assortment of products is still narrow. Staple foodstuffs can be found nearly everywhere but refined products are still rare. But thanks to increasing demand for organic products will this fault also be eliminated in time.

While there has turned up different kind of problems with foodstuff that have gnawed credibility of traditional agriculture, the belief in organic production has still strengthened. Why is that? Are there in organic production decisive advantages?

No doubt the organic production has profited from problems arisen in traditional production. Nevertheless, the organic production has been built up on consumer's confidence from the very beginning. The traceability, certification and supervision of products have aimed to create this confidence. Besides the consumers have had quite a lot influence on contents of terms of production.

As a farmer I have noticed that it is sometimes very difficult to put consumers’ demands relating to terms of production into practise. Often the consumers’ demands are affected by their visions instead of realities of practise. In spite of this I think it’s very important to listen to consumers and respond to their wishes. Their ideas are naturally often quite contradictory, especially when talking about livestock production. Compromises and use of common sense however often help to carry out the goals. Fanaticism rarely leads to a good result.

SURPLUS VALUE OF ORGANIC PRODUCTION IS CREATED AT THE FARM

Farmer is the most influential person in the chain of values of organic production. The surplus of organic production is created expressly at the farms, whether it is a question of crop husbandry or livestock production. Of course the regulations relating to organic products provide certain actions also from the rest of the food chain, but these regulations concern rather the production than for example processing or packing of products.

It is not easy for the farmer to change over to organic production. Agricultural production is nowadays in the whole Europe more and more capital intensive: there are pressures to invest as well as other economical risks in a new way of production. Alone the risks connected to the changes in crop make many feel uneasy. Organic production depends very much on external conditions, the quantity of crop can not be regulated in the same way as in the traditional cultivation form. Weeds become easily too many and cultivation becomes difficult. In addition, at many farms the organic cultivation transfers productive arable area for example to green manuring area.

On the other hand, while the traditional farming has met problems connected to restric-
tions on production and decline in prices, the organic production has become a tempting alternative for many. The decision is still made always separately at every farm. It is possible that two farmers at neighbouring farms may choose different cultivation methods and both of them for good reasons.

However, the price means the most for the farmer. Organic products have to be sold at prices that cover higher labour costs and lower quantity of crop. In addition, prices have to cover also investments, often very big ones, that the farmer has to make in livestock farming. It is also important to notice that in order to secure the important principle of recycling, the regulations of organic production bind the arable area and livestock production to each other. Production units can not grow like factories.

BALANCE ON THE MARKET IN THE FIRST PLACE
Because of the market based on demand, the prices of organic products have remained higher than prices of foodstuff produced in a traditional way. It is important that the prices cover costs and the farmer gets returns. There is no future for the organic production if the farmer has to save the world by eating his own capital.

On the other hand, the price difference between organic products and other agricultural products should not become too big. In Finland customers are, according to study, ready to pay 15 to 40 % more for organic products. The price difference sounds to be reasonable, but there is one problem from the farmer’s point of view: Often also a product produced in a traditional way is too cheap with respect to costs.

Organic products market suffers also from fluctuation and irregular consumption that may vary even weekly. Milk products are consumed most at weekends even if cows milk every day. Vegetables are available only in the best seasons. Except for milk, beef and perhaps eggs, the livestock production is still undeveloped.

The most important question is though this: How big part the organic production can have in the total consumption? 1 %, 10 % or even more than 50 %?

I’m not that wise that I could answer to my question except for the fact that it will not be 100 %. In Denmark, where the organic production is more developed and common than in the rest of Europe, they have had problems with overproduction of organic milk. The same problem has appeared also in Austria. Even if this would be a sign only of a temporary retardation of growth, it still radically affects the price level. It can be said that the organic production is much more sensitive to price fluctuation of products than the original farm production.

DOES THE LEAD REMAIN?
Now when the organic production lays its targets for the future, it should be taken care especially of functionality of the market. Among the consumers, organic production has a very good reputation regarding many questions occupying them. It is also clear that organic production as a production method is more expensive and it demands more work than the traditional way of farming. However, it is no self-evident truth that the
organic production can keep its lead in the future. In the traditional agriculture also there are taken serious measures to improve traceability and certification of products. Targets and actions for example to decrease stress on environment are also in the traditional production hard and intense.

In spite of strong growth, the organic production should be able to avoid the mistakes that have been made in the traditional production, i.e. overproduction, complicated support policy and bureaucracy. No doubt that organic production needs guidance and support systems. But, a strong guidance can easily lead to distortions. As far as support systems are concerned, there is however a need for a common practise in order to know what or which products will be supported in organic farming and in what way.

Support should be directed not only to transition period but also to research work. One of the most important questions to clarify is this: Can lower returns and higher costs be improved by means of developing technology of organic production? We organic farmers have so far been often pioneers not only of cultivation but also of techniques of organic production. I believe that the cost of organic production can still be reduced by using charges.

LADIES AND GENTLEMEN
Concerning the agricultural policy and the future of agricultural production we are again at a remarkable crossroads. Organic production is hardly the only solution in the future but it is certainly an important part of a whole. Therefore it should be paid more attention to it for instance by realizing the common agricultural policy for example so that the organic production and traditional production could have equal starting points. Through agricultural policy we should also better secure that agriculture and organic production as a part of it can be practised all over the Europe.

I am sure that the organic production will play an important role as an intercessor for the European family farm agriculture. Values of organic production connect the whole food chain from producer to consumer. Merely this trust is worth seeking and working.
Thank you so much. I take the chance that ecological food have given you energy and concentration power so that you are able to catch up with some of the ideas I would like to stress.

First of all - Ladies and Gentlemen let me welcome you to this last and very important plenary session of the European Conference Organic Food and Farming - “Towards Partnership and Action in Europe”. I am very happy that Ritt Bjerregaard has asked me to share my views with you today.

As you know Ritt and I have known each other in many, many years and fought together on what we believe in.
You see I believe that politics is to change when our surrounding conditions change. You have to use your political life to make a difference. If you don’t, I would make the standpoint that you are not fulfilling your obligations.

The Danish government is honoured that so many ministers, representatives and ministries and the Commission and other interested parties around Europe have decided to attend this Conference. This clearly underlines the wish for a sustainable agriculture and food production in Europe.

In particularly I would like to forward a warm welcome to the ministers represented here today from the countries with which we have very, very close connections.

I am also very pleased that our friends from the candidate countries, applying for participation in the European Union, are here today. I think this demonstrates in a very dynamic way and in a very, very fundamental way the enlargement process and that we share the values of a more sustainable Europe.

A Europe based on not only a sustainable agricultural sector and food production, but also on a sustainable economic prosperity and peace. I think that is what people expect of us - to formulate political alliances to political challenges.

It is correct as Ritt Bjerregaard said that in my opening speech last year in October to the Danish Parliament I stressed the importance to have political answers to the state of insecurity and worries among ordinary people and consumers. It is a part of a more general approach we are dealing with now.

I think that a great part of our populations are worried about the future and we should not criticise them for that. We should as responsible politicians try to find answers to their worries. I think that it is correct to say that global insecurity demands global policy and that European insecurity among European people demands European policy.

We shall find fundamental answers to these worries here in Europe. And let me also
stress in this little speech, that talking about sustainable agriculture in Europe and talking about organic food and farming is not a time-limited trend or a bypassing fashion phenomenal, which will pass away like a business circle. I have heard somebody having this opinion and I disagree.

I think that the time has come that sounds projects and organic food is for all of us. My political fundamental standpoint is that it is with organic food and sounds products as it is with everything else in this society. We should create the framework so that all people can enjoy the latest knowledge and production qualities we have developed together. The modern consumer demands high quality food products. Products that are characterised by high effects on environmental issues and animal welfare and products of high quality and which have a good genuine taste. I see this as a new dimension also to the many, many years for all development in the way we produce agricultural products. It is not a nostalgic trend we have now, it is a new face of agricultural production. Farmers should - and I also think that they have a fundamental interest in it - deliver what consumers demand. Therefore I am convinced that there is no alternative to a greener and more sustainable food production.

Organic production has as a matter of fact proved to be one of the best methods to provide these goods to the consumer. Increasing supply of organic products is also a result of a genuine political priority that has been endorsed by measures at EU-level. And I am, Ladies and Gentlemen, proud to say that my government has supported the development of organic production - with remarkable success. I am happy to see that the President of Farmers is here today also to underline this important issue.

I think it is fair to say that a stronger organic sector should form an important part of future agriculture.

We should encourage the integration of methods and principals from the organic sector to be used and integrated into the agricultural traditional sector.

May I underline Ladies and Gentlemen that I don’t see organic agriculture and conventional agriculture as contradictions. I think it is fair to say that organic agricultural contributes to improvements within the conventional farming sector - thus giving a positive spin-off effect.

Hence, the future benefits of organic farming lies to a large extent in an increased supply of sound products of a high quality.

In my country here in Denmark we have proven that organic agriculture is also compatible with relative large farms and with very efficient production systems. We have proven that organic agriculture can deliver the necessary supply of sound products of a high quality that the consumer demands.

I would like also to underline that the organic agriculture society deserves our full respect and recognition for their courage to think and act differently. Organic agriculture also forms an important element in the context of a broader political goal of a comprehensive reform of our Common Agricultural Policy in Europe.
When it comes to our heart of CIP it is trying to recognise also that we have not finalised all the changes as far as CIP is concerned which we formulated in Berlin. We will be faced by new changes.

The regional and global challenges that we face, leaves us no other choice than a pressuring reform process. Let me mention that the WTO-negotiations on global trade will intensify and put even more pressure on the existing support-schemes. And let me add that the enlargement-process will require willingness and ability to modernise agriculture in both the existing and new member countries of the European Union.

Furthermore we have to realise that not all questions about the modernisation of the agriculture sector in Europe can be solved by agriculture policy alone.

In some areas structural aid and the reallocation of labour to other sectors will inevitably be a key element in a solution.

This is a challenge to the European Union and we will have to face and handle a challenge where all parties have to contribute. It will require serious very serious efforts and we will have to strike a number of sensitive balances. It will not be easy, but I do not doubt that this will be the direction.

Ladies and Gentlemen I think that the decision to organise this conference was based on a vision of Europe characterised by agriculture production methods in harmony with nature - not as a nostalgic goal, but as a modernised offer to ordinary people. We need to ensure food quality - food safety and animal welfare.

Thus this conference builds on the important work and conclusions of the Vienna Conference on organic farming in May 1999.

In order to realise the full environmental and economic potential of the organic agriculture, a high degree of European partnership and action is needed.

However, until now, there has not been a platform for the full range of partnership to formulate a common European agricultural strategy.

Ritt Bjerregaard’s and my vision is that an action - a European Action Plan should be initiated - thereby uniting the partners and ensuring that a set of consensus oriented recommendations are produced.

The fact that a wide range of European governments are represented here today constitutes a unique opportunity to secure that the vision of Europe and a European Action Plan can be realised. That we in Europe, together again as we have done so many times before, make a difference. That we in Europe recognise that some problems can not be solved in our countries alone - but that we have to unify again to formulate a common political answer as we have done before. That we recognise that Europe again has to take the leadership also with global effects on these fundamental issues.

Common political answers to common challenges have always been a very foundation
of the European Union and here we are again.
A European Action Plan supported by so many countries and important organisations such as COPA, IFOAM and the European Environmental Bureau must lead to sustainable results.

Therefore we must look closer into the possibilities of promoting the organic farming and food production in Europe as part of the process to ensure a greater integration of environmental concerns in agriculture and food production.

With these few words I once more would like to that what you are doing at this conference is of importance. That you are making a difference. I wish you good luck in your very important job and I hope you will enjoy the remaining stay here in our country. Thank you very much for your attention and good luck.

Ms. Margareta Winberg (SE)
Conference Speech

Mr Prime minister, dear colleagues - Ladies and Gentlemen,

I would like to thank my Danish colleague, Ritt Bjerregaard, for the initiative to organize this conference, and as far as I can see it's a great success.

The development within the agricultural sector shows that there is a strong need for a change. These needs have been discussed on several occasions recently, for instance at the informal meeting in Östersund in Sweden in the beginning of April. My conclusion is, that more and more people are in favour of a change of the common agricultural policy. The objective of this change must be an ecological and sustainable production. In this context, organic farming is an important tool. It provides a combination of positive environmental, social and economic effects in our rural areas. I find that it is highly relevant to promote organic production in order to benefit from these positive effects. What have we done in Sweden?

In 1994 The Swedish Parliament set up the goal that 10% of the cultivated land should be organic in year 2000. The Government assigned the Board of Agriculture to elaborate an Action Plan that was supposed to identify obstacles and estimate what actions had to be taken in order to achieve the goal. The work with the Action Plan was performed in cooperation with organic producers, researchers, retailers, consumers, NGO's and others. In the end of year 2000, 13% of the cultivated area was organic. We achieved our goal.

We have raised our ambitions since then. In 1999, the Parliament laid down a new goal: In 2005, the area that is cultivated according to organic standards should be doubled, that’s to say 20% of the total cultivated area.

At the same time, the Parliament laid down that 10% of the production of dairy, cattle
and lamb should be organic in 2005. In order to attain the goals have been to give the Board of Agriculture an assignment to work out a new Action Plan in order to identify the most effective ways to reach the goals. We have also elaborated our new Rural Development Plan in accordance with our new goal. The Swedish government recognises that the organic production is an important instrument for the society in order to reach some of our national environmental goals. Organic farming provides a step towards a sustainable agriculture. It is also important to create opportunities for a market development where the consumer demand for organic products can be satisfied. In the long run, the production must be able to continue at the same premises as other production. It is equally important to stress that our production goals are valid provided there is a demand from the consumers that meets the supply of organic products.

What can be done at a European level?
The experience from Sweden is that setting goals and working with action plans in cooperation with other stakeholders has turned out to be very satisfying. The Action plan could be of great use even at a EU-level. It is however important to bear in mind that the conditions in the various member states are very different. The same goals and measures would perhaps not work in all member states.

One very important step is to eliminate the obstacles for contacts between consumers and producers. The consumers must be able to express their expectations regarding the products.

Another important step is to get rid of bottlenecks that prevent the products from reaching the consumers. An imperfect chain is a risk both for consumers and producers. Conversion from conventional to organic production involves a risk for the producer. They must know that they can sell their products and that they don’t get lost on the way to the consumer.

The consumer wants to know that there is a wide range of organic products available. If not, there is a big risk that the consumer gives in and returns to the conventional products where he can be sure of the availability. We know that there currently is a big demand on organic products and it is important to see to it that this demand can be satisfied.

I am also convinced that we have to change the Common Agricultural Policy towards a more extensive agriculture with more emphasis on environmental factors and rural development.

Over all, I am of the opinion that the organic production should no longer be a small niche on the market. The organic production and the organic food should take larger and larger market shares and become an important segment of the market. Imports from countries outside the union

When talking about promoting organic food and farming it is important that we don’t limit ourselves to organic production within the European Union.
In order to raise the consumption of organic products it is important to give the consumer a possibility to buy organic alternatives of most products. There must be a wide range of organic foodstuffs in the food supply. Since we don’t have the possibilities to produce all kinds of products, as for example coffee or cacao, this makes us dependent on imports from countries outside the European Union.

We shall also bear in mind that the developing countries need to be given the possibility to develop organic farming. As in our countries organic farming will be of great importance for reaching sustainability in the agriculture.

Today it is complicated to import and promote organic products from third countries. One obstacle is that the EU-label for organic products only may be used on products that are produced within the Community. Another obstacle is the difficulty for organic products imported from third country to be freely sold across the common market as a whole. Today, the import rules are applied in a way that leads to a situation where a product can be imported to one EC country but not to another. Here we must changes.

What is the conference aiming at?

One important aim with the conference is to start a real and progressive discussion and work towards a European Action Plan. As I said earlier, the way we have been working with action plans in Sweden has helped us to attain good results in this field. My opinion is that an Action Plan can help us to focus on the most important issues and be a useful instrument in taking the organic production several steps forward. The conference is covering several interesting topics and I am confident that the discussions will give us important and useful input to our future work in this field.

And Ritt has today asked me, as the President of the Council, to put this issue on the Council agenda in June. I will do so, and hopefully we can prepare for a good discussion then.

Thank you very much for your attention.

Ms. Renate Künast (DE)
Conference Speech

Es gilt das gesprochene Wort!

Vielen Dank für die Einladung zu dieser Konferenz und die Möglichkeit, hier sprechen zu können.

Der ökologische Landbau hat in Deutschland eine lange Tradition, die bis in die 20er Jahre des letzten Jahrhunderts zurückgeht. Namen wie Rudolf Steiner sind auch über die Grenzen unseres Landes hinaus bekannt.

Ökologischer Landbau war in Deutschland mehr als landwirtschaftliche Erzeugung ohne
PLENARY IV


Aber: Ökolandbau hat seine Begründung auch in den Erkenntnissen über die Endlichkeit der Ressourcen und die Notwendigkeit des nachhaltigen Wirtschaftens. Konkret heißt das: Ökolandbau bedeutet moderne und zukunftsweisende Wirtschaftsform!

(möglicher Einschub:
Ich bin die erste Verbraucherschutzministerin in meinem Land. Was bedeutet das? Die Menschen haben sich durchgesetzt mit ihrem Anspruch, wissen zu wollen, was täglich auf ihrem Teller landet.

Die Menschen wollen wissen, was sie essen. Sie wollen sichergehen, dass das, was auf den Verpackungen steht, auch wirklich drin ist. Und sie haben genug von einem “Masse statt Klasse” Konzept. Meine Forderung nach “Klasse statt Masse” findet in der deutschen Bevölkerung großen Rückhalt. Und deshalb bin ich sicher, dass wir auch unser Ziel “20 % Ökolandbau” realisieren können.


Die Zeit ist reif, überreif für eine Neuausrichtung in der Landwirtschaft und Ernährungsindustrie. Das Konzept ökologischer Landbau damit noch moderner und attraktiver für immer mehr Menschen als je zuvor.)

Es ist kaum vorstellbar, dass die Mütter und Väter des EWG-Vertrages an den ökologischen Landbau gedacht haben, als sie 1957 in Artikel 39 die agrarpolitischen Ziele des EWG-Vertrages schrieben. Gemäß Nr. 1 soll die Produktivität gesteigert werden, um auf diese Weise den landwirtschaftlichen Familien ein ausreichendes Einkommen zu ermöglichen.


Immer mehr Verbraucher-Innen wünschen dies, weil sie eine natur-nahe Landwirtschaft bevorzugen, weil sie in regionalen Kreisläufen denken und das Nachhaltigkeitsziel durch Öko-Landbau am besten verwirklicht sehen.

Den ökologischen Landbau zu befürworten heißt zumeist, sich bewusst zu ernähren und im Einklang mit der Natur leben zu wollen.
In der gemeinsamen Agrarpolitik der EU ist dieser Denkansatz in der Vergangenheit zu kurz gekommen. Masse war wichtiger als Klasse, Steigerung der Erträge ging vor Schutz der natürlichen Ressourcen. Zuwachs der Produktivität hatte Vorrang vor Tierschutz und artgerechter Tierhaltung.

Heute sehen wir das anders. Auf den Märkten gibt es ausreichend, ja zu viel Lebensmittel. Wir nehmen wahr, dass Tiere leiden und Gewässer verschmutzt sind.

Viele sehen mit Blick auf die vielen Krisen die Industrialisierung der Erzeugung und Verarbeitung von Lebensmitteln skeptisch.

Deshalb hat der ökologische Landbau auch in der EU-Politik an Gewicht gewonnen und viele von uns sind wie ich der Auffassung, dass dieses Gewicht noch gestärkt werden muss.

Wie soll das geschehen? Wie müssen wir die gemeinsame Agrarpolitik ändern, um den ökologischen Landbau voranzubringen und unseren Verbrauchern die Möglichkeit zu geben, auf gesunde Lebensmittel aus einer intakten Umwelt zurückgreifen zu können? Zunächst will ich feststellen, dass uns die Agenda-Beschlüsse mit der Modulation schon viele Möglichkeiten geben, gerade den ökologischen Landbau noch stärker zu unterstützen.


Es gibt in Deutschland breite politische Zustimmung zu meinem Vorhaben, den ökologischen Landbau in den nächsten 10 Jahren deutlich auszudehnen. Der angestrebte Anteil von 20 % ist sehr ehrgeizig. Er erscheint mir aber durchaus erreichbar zu sein, wenn bestimmte Rahmenbedingungen geschaffen werden.

Dabei kommt es mir vor allem darauf an, dass wir in den EU-Mitgliedstaaten einheitliche Standards für den Ökolandbau festsetzen und damit vergleichbare Wettbewerbsbedingungen schaffen.


Wir brauchen auch für den Öko-Landbau verlässliche rechtliche Rahmenbedingungen. Die EG-Verordnung zum ökologischen Landbau wurde vor nunmehr fast zehn Jahren verabschiedet. Inzwischen gibt es in einer Reihe von Punkten Anpassungsbedarf. Ich will vier beispielhaft nennen:

1. Der Markt für Ökolebensmittel ist inzwischen sehr komplex geworden. Die Warenströme fließen in alle Richtungen und sind schwieriger zu verfolgen. Deshalb ist es an...
der Zeit, das in der EG-Verordnung geregelte Kontrollsystem auszuweiten. Alle am Markt für Ökoprodukte aktiven Wirtschaftsunternehmen müssen in das EG-Kontrollsystem einbezogen werden, auch und vor allem der Großhandel.


3. Der Grundsatz, wonach das Futter überwiegend aus dem eigenen Betrieb oder einem anderen kooperierenden Ökobetrieb stammen muss, sollte sich auch im EG-Recht niederschlagen. Ich trete dafür ein, die EG-Verordnung über den ökologischen Landbau entsprechend zu ändern.


Mr. Wilhelm Molterer (AT)

Conference Speech

Thanks to you, Ritt,

Ladies and Gentlemen,
I would like to thank you for the invitation as well as of course the initiative you have taken to have this conference on the future of organic farming in Europe here in Denmark. It is - as you may know - the second of its kind. The first was in Vienna in 1999 and at that time you, Ritt, were - as a member of the European Commission - responsible for the environment and as it happens in the meantime I environment in the Austrian government am responsible not only for agriculture but also for the environmental issues. I have to say that this is indeed an interesting and challenging combination of issues and tasks.

Ladies and Gentlemen,
I stress this at the beginning of my speech, because I wish to point out that it is impor-
tant to view and discuss agriculture as a whole - in its economic dimension as well as in terms of its ecological implications and contributions. I believe we are here at the crossroads right now and we have to ask ourselves whether or not we are going in the right direction.

Just recently amongst the farming ministers we have agreed upon an idea and this idea - it is in fact almost an ideal - is that we want to promote sustainable farming within a just as sustainable economic framework. We want to ensure multifunctional farming, that fulfils all the requirements that you all are, that society is expecting. Agriculture’s responsibility as a whole goes way beyond mere production. As I often point out, farming is not just about food. Farming is also about our habitat, our regions, our landscape and our culture. An assertion that is of course particularly relevant when it comes to the future of less favoured regions for which we have designed specific policies.

I strongly believe that it is important to reflect this principle idea in our discussions and there is good reason to ask ourselves today: “Do we in fact live up to this idea? Have we got the appropriate tools, the adequate instruments to pursue, realise and advance this goal?

Honestly I think I am often a little sceptical and in fact there are many discussions within the framework of European agriculture. There are goals and objectives that I believe do not harmonise. We should not be misled to assume that we can realise sustainability while on the other hand promoting more liberalism and more market rule in European agriculture. When discussing the future of organic farming I suggest we should bear this in mind. There is no harmony between unleashed market rule and sustainable multi-functional and economically sound agriculture. If we talk about fair competition - and if we really mean fair competition - we should therefore be very precise about our objectives.

Our concept of agriculture is in fact based on the principal of fair competition and I strongly believe that - also in future - we will need a regulative framework that lives up to what it promises. And that means that direct payments should further be developed in the European Union. Production in certain regions and areas that depends on direct payments should be focussed on certain products. We should pursue this within the second pillar and the second pillar we should re-enforced. This is of course a vast undertaking. Currently on average the relation between rural development and market mechanisms in the European Union member states is that 10 percent of the funds available go into measures of rural development whereas 90 percent of the funds available are assigned to the classic market measures. In contrast to that, in Austria, we have about 65 percent of the funds going to rural development policies and only 35 % to market measures. You can see, Ladies and Gentlemen, what leeway we actually have for our policies within each of the EU member states.

It is my believe that when it comes to the European level we should first develop these thoughts and achieve uniform standards, for instance in husbandry or the questions of conditions for organic production. And we should integrate the question of food safety.
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We have a global goal, called sustainable development. So it is very important for me that, when we discuss these themes, that we also take into consideration what farmers are justifiably expecting, but also what consumers expect. We have to deliver quality and that quality needs to be properly defined - not just the product quality alone but also the processing quality - what happens to food before it is on the supermarket shelves? - “from stable to table”, as it is often so nicely put. The consumers expect to know where a product comes from and how it has been produced. Today consumers have many doubts, also as the way that animals are being kept. We should, however, not close our eyes to the fact that consumers are also and strongly price driven in their decisions. This is in fact a political problem. I am personally not convinced that a society is more successful the cheaper food is. No, I am convinced that a country is more successful when people can understand and appreciate the quality of the food they buy.

What does that mean for organic farming?

I think it is as beneficial and important as it is necessary to have an action plan for the positive development of organic farming in Europe. Such a plan has been drawn up and I strongly support the effort. Bearing in mind that Austria is a country with almost 10 percent organic farming, I am sure that we will be able to contribute from our experiences.

Why has the development in favour of organic farming picked up earlier in Austria than perhaps in the other countries of the European Union?

For one in Austria the awareness for environmental questions is in general very high. Secondly more and more people have realised the positive prospects of organic farming in the last years and this perhaps is based on stronger contacts between the producers and consumers. This is, I believe, a key question.

On the basis of this mutual understanding we have an environment in which organic farmers are generally innovative and are very quickly up there on the market pointing towards new possibilities of marketing of their products. And again in the marketing - as opposed to many other European countries - we have been out there very early and we have seen the readiness of the people to market organic products, not just in direct marketing but also in distribution chains. It is also very important to state that the division we have seen between conventional and organic farming is getting narrower because there is a fundamental understanding of the fact that most of the farming units really are the spearhead of the whole farming community. We have drawn up the political framework for these efforts and we develop them continuously. Just recently we have completed an action plan for the next few years for the development of organic farming.

The main objectives in Austria

Firstly, we want to be the number one in Europe and we want to stay the number one - bearing in mind that of course we too have problems in this sector. We want to try to maintain our leading position and therefore are working towards a harmonious expansion of organic farming, harmonious in the sense that expansion should be in line with actual market demand.
This expansion of organic farming is quite an ambitious goal, I know, and my two colleagues have also mentioned that. My experiences in fact are rather pragmatic. The more organic farming we get, the better. What we, however, should be aware of, is that the limits to organic farming are finally not set by politics. We should not forget the fact that also an organic farmer is confronted with a market and I would like to avoid the sort of surplus production and the sort of price pressure we have seen in conventional farming. And I tell you very openly that stating this simple truth can stir up a very critical public debate - perhaps of the sort that is currently going on in Austria.

Therefore, secondly, our work focuses on the full exploitation of existing possibilities for the rural development to the benefit of a sustainable expansion of organic farming by providing an environment programme worth ATS 8 billion. More than 20 % of which are earmarked for organic farming. Our environmental programme is an open programme, and that more farmers take part in it, the better - especially in terms of animal husbandry. I believe that this a very important point and that advising and consulting the farmers through associations as well as the different departments of the government works to the same end.

Marketing also means clear support for labelling and logos for organic products. In Austria there is one project now, organic marketing for export, and we are also working on a new concept, called “organic food” aims at bringing all the people who are involved in the organic market sector under one umbrella.

You see, the public often talks more about organic food, than consumers actually buy organic products. It will be important encourage and inspire consumers to buy more. Individuality is an important aspect because it is also is part of the philosophy of organic farming.

Thirdly, of course, there is the training of our farmers at all levels an continuously.

And the fourth part of our concept deals with the research. An important question for the organic farming when I talk about seeds, for instance, and the development of seeds.

And the fifth objective is that contact between consumers and farmers should be strongly supported and financed. Information campaigns covered schools as well as the direct support of so-called “organic clubs” between consumers and farmers.

Now, Ladies and Gentlemen, I believe that this is in fact one possible model for an action plan and would like to invite you to profit from our experiences. The conclusion I have drawn from my experiences with organic farming, Ladies and Gentlemen, is, that organic farming actually is a fascinating and wholehearted conviction. Particularly farmers in the organic farming sector really do their job in a very positive and enthusiastic way. There approach should be the right kind of inspiration for us.

Thank you.
Mr. Bjarne Håkon Hanssen (N)  
Conference Speech

Mr. Prime Minister, fellow ministers, Ladies and Gentlemen

I would like to thank for the opportunity to speak at this conference. The development of organic farming is an important part of the agricultural policy in Norway. In 2000, the Norwegian Parliament debated a White paper regarding Norwegian agriculture and food production. A large majority supported further development of organic farming, aiming for an increase of the agricultural area under organic cultivating to 10% by 2010.

As in most countries, there are several objectives for the Norwegian governments focus on development of organic farming.

**FIRST**, organic agriculture is an important contribution in developing of an environmental friendly agriculture as a whole

**SECONDLY**, an increased supply of organic products gives the consumers’ a wider range of choices

**THIRDLY**, consumers’ demand for organic products is growing

In general, I consider it highly important for the development of the food and agricultural sector as a whole, to pay increasing attention to the consumers.

In 1996 we launched The Norwegian Food Safety Risk Communication Program. The goal for this program was to build confidence between consumers and authorities, through communication. Organisations, industry, the government and different experts were trained in risk-communication. We worked together to find the best ways of communicating food-related issues to the consumers, openness and honesty being key words. Polls show that Norwegian consumers’ confidence towards the authorities have increased, especially during the last 6 months. We believe some of this is related to the effects of educating different actors in risk-communication.

We have, during this spring, carried out a qualitative survey to unveil the Norwegian consumers’ preferences regarding food in general, and organic products in particular. The survey confirms that Norwegians regard all food as safe and of high quality. Furthermore it shows that consumers still consider food in general to be expensive in Norway. Probably as a consequence, the survey also shows that consumers find the even more expensive organic produced food, exclusive and luxurious. All these factors indicate that it can be a challenge to develop the organic market in Norway. However, the survey also unveils that increasing interest from the media is creating a new, trendy image for organic products, which may lead to an increased demand. We also have reason to believe that the increasing interest for organic products in Europe will influence on the Norwegian consumer.

This autumn we are inviting interested parties - agricultural organisations, retailers, the public sector and others- to join us in creating scenarios regarding the future marked for
organic products in Norway. Hopefully this effort to get a “glimpse into the future” will be useful for all parties in their future work.

Today the organic area in Norway, including areas under conversion, amounts to some 2% of the total farmland area, and there are many challenges to be solved before we reach our aim of 10%. In our work to fulfil the goal, we put emphasis on all aspects of organic farming; including consumer behaviour, measures to increase the production, market and trade aspects, information, advising and research. I don’t have the time to go into our work on all these areas today. I will only shortly mention that we, during the last three years have drawn up two action plans; one regarding market development, and one regarding research. Both of which identify constraints and possibilities, and necessary measures to reach our 10% goal.

Development of organic farming is one way of getting closer to a sustainable agriculture production. The importance of enhancing a development towards sustainability is, in my opinion more important than ever.

Even though some countries have come further in the development of organic farming than others, we have many challenges of future development in common. I am therefore glad for the opportunity both to share some Norwegian experiences with you, and to learn from the experience of other European countries.

Finally, I would like to thank Denmark for arranging this conference regarding organic farming in Europe.

Ms. Ritt Bjerregaard (DK)
Concluding Remarks

Ministers, Excellencies, Ladies and Gentlemen!

We are now approaching the end of two days in the name of organic food and farming in Europe.
When returning to your countries today or tomorrow you might be asked what came out of the conference.
Was it worthwhile?

Was it just another conference with nice food, nice people and informal exchange of viewpoints.

Or was it a conference which will actually influence the further development of organic food and farming in Europe.
If being asked myself, I will definitely be able to give a clear answer.

Just consider the fact that the ambition to develop the organic sector in Europe has brought together 350 Europeans.
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Also consider the fact these 350 Europeans include:
- Ministers from 9 European countries,
- Representatives of ministers from 4 other European countries,
- The chairman of the Committee of Agriculture and Rural Development in the European Parliament.
- The head of Cabinet in DG Agri
- And last but not least representatives of IFOAM, COPA, EEB and Euro-Coop

Consider also that the positive intentions have resulted in a range of valuable recommendations from the thematic sessions, thereby covering all important aspects of the further development of organic food and farming in Europe.

Finally consider that these recommendations will also have a chance to be turned into action due to the fact that we have gained very broad support for the conference declaration which demands the process of a European Action Plan to be initiated.

By signing the declaration a broad range of partners has emphasized:
- That organic farming is a highly relevant tool, which contains the potential to participate in solving simultaneously a range of problems related to food production, environment, animal welfare, and rural development.
- That organic food and farming is becoming a major opportunity for food producers in Europe, due to a growing consumer interest for certified organic products. This is a precondition for developing a market for organic food and create income for farmers
- That organic food and farming should be developed further in Europe.

In order to facilitate partnerships and actions at European level the signing parties calls upon the Council, the European Commission and European governments to secure that the process towards a European Action Plan will continue. More specifically the partners demand a European Action Plan to be developed within the next two years.

The signing partners specify that the European Action Plan should analyse the barriers to and potential for further growth within production, processing, trade and consumption of organic products in Europe.

They also specify that all stakeholders within Europe should take part, including the European Commission, national governments, consumers, farmers, producers, retailers, NGO’s, researchers and other important stakeholders.

And they specify that the Action Plan should cover all aspects concerning the development of organic food and farming in Europe, including areas such as environmental protection, animal welfare, consumer-behaviour, market-development, food-safety, food-quality, regulation, certification and labelling, research and international trade. By the choice of themes the conference has itself covered all key-aspects and thereby produced a range of specific recommendations which should be used as an input to the European Action Plan.
Finally they specify that the European Action Plan should analyse the relationship between, on the one hand the opportunities for the further development of organic food and farming and, on the other hand the Common Agricultural Policy and other international agreements including WTO and Codex Alimentarius.

A more comprehensive reorientation of the Common Agricultural Policy towards sustainability is indeed needed in order to develop further organic food and farming in Europe.

By giving their support to the overall demand for the European Action Plan and by defining a range of specifications the partners have established a solid platform for the further development of the organic sector in Europe.

Before you leave I suggest that you pick up a copy of the declaration, which is located at the tables outside this room.

Allow me also to thank all those people who prepared everything, who made sure that we could all work and profit from being together.

Thank you to Flemming Duus Mathiesen and Anders Klöcker who together with many others from the Danish Ministry of Food, Agriculture and Fisheries succeeded in keeping everything together.

Thanks also all the other partners who assisted the Ministry in the preparation, including:
- Helle and Dorte Klestrup from DIS Congress Service
- Mette Meldgaard from the Danish Association for Organic Farming
- Francis Blake from the IFOAM EU regional group
- Erik Steen Kristensen and Claus Bo Andreasen from the Danish Agricultural Research Centre
- Bruno Sander Nielsen from the Danish Agricultural Council
- Martien Lankester from Avalon Foundation
- Nic Lampkin from University of Wales
- Hardy Vogtmann from the Federal Agency for Nature Conservation in Germany
- Urs Niggli from the Research Institute for Organic Farming in Switzerland

Thank you also to those who sponsored the wonderful organic food which has been served during the last two days.
The sponsors include:
- The Danish Agricultural Council
- Danish Organic Trade Association, Øgruppen
- Coop Denmark, FDB
- Danish Food and Drink Federation

Personally and on behalf of the organising partners I am very happy for the contribution from all of you and for the support we have gained for our objectives with this conference. We are looking very much forward to co-operating with you on the European Action Plan.

Thank you for your attention - have a nice trip back.
Mr. Peter Nijhoff, (NL)

Organic Farming as a Strategy for a Multifunctional Agriculture

‘The organic way to a better environment’ - that was, Ladies and Gentlemen, two years ago the theme of the first conference ‘Organic farming in the European Union’, that took place in Vienna. The European Commissioner for the Environment, mrs. Ritt Bjerregaard, shared her vision. I summarise her statement: the environmental benefits of organic farming would become a driving force in developing it. For years organic products were sold in health stores, for health reasons, and only reaching a limited group of consumers. Now a broader approach is needed. Ritt Bjerregaard then advocated for a real take off for organic farming in the whole of Europe.

Our former Commissioner for the Environment is now Minister of Food, Agriculture and Fisheries in this country. An excellent opportunity to further promote her vision on organic farming on a national level and on a European level. Listening to the speakers in the opening session earlier this morning her initiative to launch a process towards a European Action Plan for Organic Farming needs and has our full support.

As an environmentalist from, let’s say, the post war- generation - promoting wise management of the countryside - I am grateful to have been invited for this follow-up of the Vienna-conference. But I am not primarily here as an environmentalist. I have been asked as a Council member of the Dutch Council for the Rural Area. We work together with other councils within the European Environmental Advisory Councils, the EEAC.

In the last 5 years we have as a co-operation frequently shown our concern with sustainable land-use and agriculture, the CAP reform and multi-functionality. But in a WTO-context joint-production is at stake. On different occasion in EC and WTO-context the EEAC has stated the need to acknowledge the linkage between our landscape and biodiversity and sustainable farming processes. Joint-production is essential to protect European landscapes and wildlife. Organic farming integrates environmental concerns into its system.

As you know, organic agriculture is based on minimising the use of external inputs, avoiding synthetic fertilisers and pesticides. Therefore organic farming is also important to reduce water contamination and to safeguard drinking water supplies, thus contributing to food-safety in a larger sense and to sustainable agriculture.

For the EEAC this has been a reason to put organic farming on their own agenda. The paper - that I am presenting here - has been prepared by Agneta Andersson in discussion with the Working Group on Agricultural Policy within the EEAC.

As Council for the Rural Areas advising the Netherlands Minister of Agriculture we are involved in the future of the rural area in our own densely populated country. Mind you: 16 million human beings, 13 million pigs, 4 million cows, 100 million poultry. Recently we presented a report on the prospects of organic farming to our minister Laurens Jan Brinkhorst. We showed our concern as to organic farming in a broad context. There is more to be done then to expect that the consumers will ‘pull’ the development. In this report we state that the prospects for organic farming are good, ... but not without
challenges. A number of obstacles have to be tackled, such as: too small-scale and dispersed developments, unsatisfactory integration of the production chain, lack of retailers strategies, poor research resources and insufficient informed consumers. The market already reacts on these challenges and explores the potentials. But without the facilitating and controlling role of the government the good prospects will not be realised. There is a limited but essential role for the government!


This is an excellent moment to launch such a process. We need a new perspective for the European agriculture and we also need action. Not only reactions on animal diseases, but actions transforming the current farming systems in a fundamental way. Organic agriculture can be the inspiring force transforming current farming systems and food chains throughout Europe and - by doing so - safe-guarding biodiversity. We need a Europe with living space for both humans and nature! The challenge we are facing is how we can ensure that organic farming becomes popular in all present and future member states and not only in a few ‘hot-spots’.

Farming systems, rural environments and food chains are getting increasingly vulnerable. The Foot & Mouth disease has clearly shown the strong interconnection between agriculture and the wider economy, especially tourism! Further agricultural intensification - using the classical principles of an economy of scale - is not in line with the multi-functional value of the countryside. The bulk production and its exploiting character has to change in a production system based on safety, quality and care. In stead of an economy of scale, we need an economy of care based on research and technology that strengthens the resilience of ecosystems and rural communities.

An economy of care would acknowledge the interconnections between agriculture and the wider economy. The trend towards multi-functionality has to be accelerated and fully integrated into the new CAP reform. Such a vision would make it possible for the society to regain confidence and trust in agriculture as part of the rural community and as care-taker of our natural and cultural heritage. Care and trust as to the food chain, the rural economy and the environment have to be the leading principles in the new CAP reform.

The ongoing reform of the CAP has not yet gone far enough as the EEAC stated a number of times in different statements. The CAP still provides distorting subsidies which encourage overproduction and damage to the environment. The present crisis, the WTO-negotiations and the accession of new member states will force a more thorough and earlier reform than foreseen. The catalysing factors demanding a change of the CAP are diverse and not under the responsibility of DG Agriculture. Issues like animal health, food safety, bio-technology, biodiversity, soil and environment, accession and trade: they all force a change in agricultural policy.

But, for these areas other Commissioners and other DG’s bear responsibility. We have to convince them to take part in a fundamental change in agricultural policy, driven now by catalysing forces with a much broader impact than ever before.
**Organic farming** integrates these catalysing factors into its own farming system. This is the strength of organic agriculture compared to other farming systems.

Social responsibility, local co-operation, respect to the integrity of living organisms, strengthening (agro) biodiversity, building up the natural fertility of the soil, and care in all parts of the food chain are fundamental to organic production systems. Organic products are traceable, produced in a transparent process supporting and strengthening the agro-ecosystem. Central to this production method is care. Furthermore organic farming plays the role of a pioneer in a process towards a more ecologically sustainable agricultural system within a global society.

By integrating the catalysing factors - instead of resisting change - agriculture would *regain its position as a respectable societal activity delivering products that society wants and needs*. Agriculture now - it’s sad to say - is a sector producing one crisis after another, instead of that it would be a sector that integrates different fundamental issues concerning ethics and integrity: health, environmental sustainability and solidarity with developing countries. To reach that the political and economic power of the current system, based on intensive use of resources, will have to be dismantled. EU and national governments will have to face the conflicts that will arise if such a shift in policy would take place.

The new CAP-reform should also stimulate the incorporation of organic agriculture within the European Spatial Development Perspective (in which not only nature, but also the quality of soil and water plays an important role). Furthermore it gives a new push to the implementation of Natura 2000 and the Biodiversity Convention.

**LADIES AND GENTLEMEN, I COME TO SOME OF OUR RECOMMENDATIONS**

**First: Introduce ‘care and trust’ as leading concepts within the production chain**

Consumer trust - based on high standards - has been basic for the present growth of the organic sector. Implementing, handling and guaranteeing these standards needs specific attention. Not only formally but as part of a production system based on care. Scandals as to food safety or animal health within the organic sector would be devastating for the further development. This care has to be the central concern throughout the whole production chain from stable to table, from farm to fork. Therefore introduce a certification and control system to encourage means of production that guarantee food safety and animal welfare.

**A second point: Guarantee GMO-free chains and environment to safeguard organic farming as a GMO-free system**

Organic production - according to the regulations - does not allow the use of genetic engineering. Allowing genetic modified organisms to contaminate the environment frustrates the development of organic farming. Initiatives that guarantee products that are free of genetic modification must be firmly supported. Organic farming needs space to develop itself without interference from genetic modification. Co-ordination of land use is necessary to guarantee this. Reconstruction of certain areas with intensive live-stock farming gives opportunities to do so.
A third very important point: **Build up a firm knowledge-basis**

Organic agriculture is a sector in development. That’s the reason that it is crucial to build up a firm knowledge basis. In all parts of the food chain further research and development of knowledge is necessary on how to handle organic products, production methods and the environment. Only a few percent of the available research funds are used for organic farming, and the greater part of it goes to subjects in the field of primary production. There is little attention to chain and market, and hardly any to societal issues related to organic farming, for instance consumer’s behaviour! Organic farming needs a full place in the curricula of agricultural training.

*My fourth point: Communicate the societal benefits of organic farming*

Proper communication is vital for the development of organic agriculture. Knowledge and experience must become available to new organic producers and new incentives in the chain. But the consumer must be well informed as well, the more so since an appeal is made to the consumer’s sense of responsibility and willingness to pay a higher price. A consumer-driven or pull-oriented approach can only succeed if the consumers are actively involved and informed. Trust is not only build through control and control of the control. The consumer has to learn what quality and safety can be expected from organic products and how to store and use them at home. Equally important is that the consumer knows what care has been given to animal welfare, to the nature and landscape, to the environment during the production. Labelling products of organic farming is essential while the label inspires confidence!

*My fifth point: Harmonise rules and legislation on an international level*

The European Union provides the rules for organic agriculture, but regulation is based on technical criteria also used for industrial production without taking environmental and regional differences into account. Products that received the organic quality-mark in one member state must also be recognised as such in other member states. Moreover compatibility between the EU-system and the international guidelines (of the Codex Alimentarius) for the production, processing, labelling and marketing of organic foods. Nevertheless general rules have to be global enough to make it possible to specify them to regional circumstances, for instance animal welfare in Italy and Finland.

*My last point: Provide support and guidance to organic farming in future member states of the European Union*

During the regional conference for Europe (last summer in Porto) FAO expressed solid arguments to increase organic farming, especially in Central and Eastern Europe. Therefore it is important to provide technical assistance and training facilities in developing the required expertise and infrastructure for organic farming in these countries.

The European Environmental Advisory Councils, Ladies and Gentlemen, support the initiative of mrs. Bjerregaard to develop an EU Action Plan on organic food and farming in Europe. This Action Plan should not be put outside the new CAP reform. It should be seen as a driving force within the new CAP reform stimulating the conventional farming to take further steps towards quality in the food chain and the environment!

Thank you for your attention.
Ladies and gentlemen,

It is a pleasure for me - as someone who has analysed the development of European organic farming politics for a long time - to have the opportunity here of presenting some of my insights in the form of a set of premises for a new political initiative in support of organic farming. The background of my speech includes research projects sponsored by the EU Commission and by the Danish research programme DARCOF, which is partly sponsored by the Danish Ministry of Food, Agriculture and Fisheries. Some of the results are already published - while another part may appear from the printer one of these days.

To me it is important to see organic farming in a broad social context because organic farming is not just one among several types of farming. Organic farming is unique in that it has been developed outside of mainstream agriculture and on the basis of the criticism of mainstream agriculture that developed during the 1970's and 1980's. Hence, organic farming has special social origins, which includes special links to society at large - consumers, politicians, scientists, the media and others with some interest in alternative agriculture development. Furthermore, organic farming has developed separate organisations attempting to give organic farming a platform within the very strongly organised segment of agriculture policy which functions somewhat separately from the rest of society. Hence, the main issue of this presentation is to show the importance of understanding organic farming within a broad social perspective and on this basis recommend some policy proposals in support of organic farming development.

The main premise in this speech is that the social distinctiveness of organic farming must be preserved if it is going to have any enduring impact on the development of European agriculture as a whole.

OUTLINE
The outline is - firstly - to specify the main elements of organic farming distinctiveness and analyse them within a model describing the social context of agriculture - and of organic farming. The model focuses on three fields of interest: agriculture policy, the food market and the farming community, and for each of these fields I will - secondly - summarise the findings of my comparative research that covers all EU member states and three non-member states (Norway, the Czech Republic and Switzerland). The conclusion includes four recommendations for the European Action Plan.

DISTINCTIVENESS OF ORGANIC FARMING
The distinctiveness of organic farming may - for the sake of the arguments forwarded here - be clarified by comparing it to farming in general on three dimensions: social origin, social identity and the concrete organisations.

Farming in general is based on one distinct social group - farmers - with rather clear common interests regarding production, income and social position. Farming in general
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has no formalised identity, but it may suffice here to mention two very important aspects: science in production and rurality in lifestyle - at least these are central types of arguments forwarded when considering agriculture policy. Finally, two types of organisations are important for farming in general: farmers’ unions that pursue farmers’ interests, and certain kinds of organisations that link farmers to the market - whether formalised into farmers’ cooperatives - or through other types of organisations.

Against this picture of farming in general, organic farming is characterised as a social movement that combines several social groups with different interests but united by values about organic farming that attempt to innovate food production on the basis of a criticism of mainstream agriculture. The identity of organic farming is clearly formulated and formalised into particular aims of the organic farming movement that form the basis of production standards. However, in terms of organisation - as is the case with all social movements - organic farming has no uniform system. Farmers’ unions and trading organisations are needed, but they are not always found and sometimes their functions are blurred. In addition to these ‘normal’ farming organisations, organic farming needs certification bodies and lobbying organisations which go beyond the pure interests of farmers and sometimes may even counter the interests of the organic farmers or other economic or political interests involved in organic food production. Hence, with regard to organisations, the situation of organic farming is much more complex than the situation of farming in general.

As the understanding of organic farming identity and distinctiveness appear essential for any attempt to develop organic farming, it forms the basis of two recommendations, which I present now in order to describe and justify them in the remaining part of the speech.

RECOMMENDATIONS REGARDING ORGANIC FARMING DISTINCTIVENESS

The first recommendation is to sustain organic farming distinctiveness - and this should be done through continuing the work done so far on developing authoritative production standards within the EU - but the development needs to include strong cooperation with organisations of the organic farming movement as they are the main proponents of organic farming values and distinctiveness.

However, a too strong emphasis on sustaining organic farming distinctiveness may isolate organic farming within agriculture. And organic farming can only expand substantially if farmers and firms from mainstream agriculture convert to organic farming and/or include organic food in their product range. Hence, there is a requirement to develop policies that prevent organic farming from being isolated. A main means to this end is to facilitate the development of inter-linkages between organisations of organic farming and general or mainstream farming.

Both recommendations are based on the finding that organic farming in Europe has developed most successfully in countries where organic farming has a clear identity and organisations cooperate intensively.
THE SOCIAL CONTEXT OF ORGANIC FARMING
How is the social context of organic farming defined? I present here a conceptual model based on the view that organic farming development - to a major extent - depends on the farmers’ propensity to convert. Conversion implies an individual decision, which depends on the farmers' attitudes and perceptions of facts. Both of these may be influenced from three different parts of society: the agriculture policy arena, the food market and the farming community. Agriculture policy is only one part of this influence - and one of the main findings of the projects referred to here - is that the impacts of any policy are largely dependent on the interplay between policy itself and the other parts of the social environment.

Agriculture policy influences farmers’ propensity to convert through financial support, certification and information. The policy is administered through public agencies - some of which are part of the general agriculture policy system while others are specific to organic farming. Hence, within agriculture policy, the balance of organic farming distinctiveness and isolation is an issue.

The food market is made up of demand and supply, but they are mediated through interplays involving consumers and firms processing, wholesaling and retailing the food products. Up to now the presence of effective distribution channels has been very important for the successful distribution of a relatively small amount of organic products in the food market.

Policy and Market are well-known parts of the social environment of organic farming - and objects for political decision-making. It is less usual to include the farming community as a separate sector in analyses of organic farming policy. It consists of farmers’ organisations, of systems of advice and research and even includes informal social and professional norms and practices among farmers. Both general and organic farming organisations are included and different parts of the farming community may pose either incentives or barriers for the individual farmer when considering conversion to organic farming. And it may be in the farming community that the balance between organic farming distinctiveness and isolation becomes the most important.

GROWTH OF ORGANIC FARMING IN EUROPE 1985-1998
As shown in this and the following figure (slides are shown) - organic farming has been - and still is - a small sector in Europe, but it is developing with exponential speed. It is, however, very important from a political point of view that development varies enormously between countries although there is a similar basis in EU regulation. This is clear when comparing 1993 - the first year of effective EU regulation - and 1998 - the last year with fully reliable information on organic farming. In Scandinavian and German speaking countries organic farming has reached a substantial share of all agriculture while in many other countries the share is still marginal. From a methodological point of view this provides good conditions for learning from experiences in different countries.
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IMPACT OF POLICY ON ORGANIC FARMING GROWTH IN 18 EUROPEAN COUNTRIES

To make a long story very short, the following includes a summary of the results of a rather rough - but systematic - comparison of the impacts of three different types of policy instruments in 18 countries.

The instrument of certification implies public recognition of organic agriculture production standards - and this had clear but limited impacts when compared across the countries. Growth of organic farming increased substantially - even when national standards were replaced by EU standards. This result seems explained by two interlinked processes: the process of public recognition through certification and certification as a precondition for market access.

Payments to farmers - not least on the basis of the agri-environmental accompanying measures to the CAP reform of 1992 - also had positive impacts. However, this was mainly a one-time impact as subsequent changes and minor improvements of support schemes did not lead to renewed growth. These impacts may also mainly be seen as an impact of public recognition as payments to organic farmers is only one among several options for farmers’ support. Anyway, the rather provoking conclusion is that additional income obtained through public support seems less important to organic farmers than the prospect of additional incomes obtained through market access via certification.

Finally, information and communication may serve as basis for organic farming growth. This was not analysed as systematically as the two other instruments, but it appears that national political discussions of agri-environmental issues have had some positive impacts on farmers’ propensity to convert to organic farming.

The conclusions with regard to policy support are that existing policy instruments matter, but the extent of the impacts varies widely between countries.

EXPERIENCE REGARDING ORGANIC FOOD ON THE TOTAL FOOD MARKET

When comparing market development across the 18 countries it appeared that countries with large organic food markets had many common characteristics that may be summarised by the word professionalisation.

Regarding promotion, it was NOT mainly a matter of political or moral appeal to consumers made by organic farming movements or other green organisations - it was a matter of long term efforts made by food firms. And also in other respects market growth depended on a deeply felt interest among food firms - whether retailers, wholesalers or processing firms - in promoting organic food. Very often this involved close and separate cooperation between groups of organic farmers and professional food firms. With regard to sales channels, supermarkets appeared the most important one capable of reaching broad segments of consumers as opposed to the potential of health food shops or other types of specialising retailers. Consumer prices may vary a lot, but a 50 per cent price premium seems to be an upper limit when trying to obtain serious attention both among retailers and consumers. Finally, a clear definition of organic food in terms of a high diffusion of one generic label appears important.
THEME I

IMPACTS OF INTERRELATIONSHIPS BETWEEN ORGANIC FARMING AND GENERAL FARMING ORGANISATIONS

In-depth studies on organic farming development in six countries reinforced the impression that fertile interrelationships between different types of organisations helped in the promotion of organic farming.

A main issue - where countries with large organic sectors are distinguished from countries with small organic farming sectors - is that large sector size is associated with close cooperation between organic farming organisations in order to strengthen a clear definition of organic farming and interests attached to organic farming development. With regard to the interrelationship between organic farming and general farming organisations - the results suggest that a combination of cooperation in some areas and competition in others was found in the countries with the largest organic farming sectors. To clarify this situation the concept of ‘creative conflict’ was introduced.

Large organic farming sectors were found in countries where initiatives to promote organic farming were taken on a rather recurrent basis. In addition, initiatives that released supportive initiatives in other domains had stronger positive impacts than initiatives that did not inspire action in other domains. Finally it appeared that the presence of organisations which facilitate cooperation across the domains of agriculture policy, the farming community and the food market - and involving organisations from both the organic farming sector and mainstream agriculture - had a major impact on organic farming development.

INSTITUTIONAL COOPERATION WITHIN THE SOCIAL CONTEXT OF ORGANIC FARMING

The last conclusion is illustrated in the figure by the ellipse connecting the three domains of the farming community, agriculture policy and the food market where it seems important to develop actors capable of developing initiatives according to recurrent analyses of the needs of organic farming development. This very often implies the initiation of organisational cooperation and contacts - as it seems that the installation of financial support prove to be of limited help when attempting to solve structural problems of market access, product distribution, and development/adaptation of products.

THE IMPORTANCE OF SUSTAINING A SEPARATE AND AUTONOMOUS ORGANIC FARMING IDENTITY

Having talked so much about the need for professionalisation and cooperation one may wonder why I insist on the importance of cooperation with organic farming organisations in sustaining organic farming distinctiveness. This refers, however, to a fundamental mechanism involved in organic farming development. It starts with the same feature of organic farming, which served as starting point for my presentation. Organic farming standards are derived from organic farming values. And these values are defined by organic farming organisations and cannot be defined by anyone else if they are to sustain their legitimacy among citizens, voters, consumers and others in society at large with some interest in the subject matter. In addition, farmers’ interests must not dominate the interests of organic farming. However, organic farmers must, on the other hand, participate in developing organic farming in order to sustain another important aspect of regulation, namely that
farmers tend to comply much better with standards based on values they accept and understand. This appeared, for instance, in a Danish comparison of compliance among organic farmers and among farmers using integrated pest management procedures. In the latter case between 5 and 25 per cent of farmers got their authorisation withdrawn each year, while this only happened to between 0 and 2 per mille of organic farmers. The main difference between the farming systems is that integrated pest management is defined by scientific experts whereas organic farming is defined on the basis of values by movements that cooperate with farmers. Hence, if organic farming movements are not involved in developing organic farming regulation, this may lead to a lower level of compliance with production standards among organic farmers.

RECOMMENDATIONS FROM THE ANALYSES PRESENTED HERE
In addition to the two recommendations mentioned in the first part of the presentation, the analyses presented here also lead to at least two additional suggestions. The third recommendation is to establish organisations of institutional cooperation that can initiate and facilitate coordination and recurrent action across agriculture policy, the farming community and the food market involving both organic and general farming organisations.

The fourth recommendation is to ensure that support to organic farming is based on a market oriented approach and hence that there is a need for developing incentives and support for organic farming to be able to recurrently adapt to changing market demands.

Thank you for your attention
This presentation is based on publications available on www.uni-hohenheim.de/~i410a/ofeurope and in Sociologia Ruralis 2001 no. 1. You are also welcome to contact me directly on my e-mail jm@sam.sdu.dk

References
Ms. Anna Maria Häring (DE)

Benefits of Organic Farming for Society

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Abstract
Recent food scares have led to a boom in demand for organic products and have increased policy makers’ awareness of the potential benefits of organic farming. However, policies specifically targeting organic farming support do not remain beyond dispute and a sound justification of these is necessary. The potential specific contribution of organic farming to some of the key objectives of the European Common Agricultural Policy, e.g. competitiveness of agriculture, farm income, food supply, food quality and minimisation of negative environmental impacts of agricultural production are discussed. It is argued that organic farming can contribute to the objectives of the CAP, however, addressing the various objectives to different degrees. The environmental effects of organic farming seem to be largely positive in comparison to conventional farming on a per hectare basis in all categories, although other farming systems might perform better with respect to single indicators or when results are related to the amount of output produced. The quality of organically produced food seems to be higher than that of conventionally produced food for several indicators: the risk of food contamination with pesticides and concentrations of nitrate tend to be lower. Income levels from organic farming are on average comparable to income generated on conventional farms, and organic farming is clearly a profitable alternative for quite a few farms in Europe. Although small scale marketing and processing initiatives may contribute directly to rural employment, organic farming’s contribution to rural development is expected to have little direct effects, e.g. on unemployment rates. However, indirect effects such as increased employment in tourism due to a positive “ecological” image of a region can be of importance.

In summary, organic farming can contribute to several of the declared policy objectives of the CAP. While it can be argued that an improvement in a broad set of indicators by organic farming might be more cost-effective than by other farming systems, the empirical information on this issue is scarce. Nevertheless, the positive effects on a broad range of policy objectives clearly justify the support of organic farming.

INTRODUCTION
In the European Union, organic farming has experienced a dynamic development in the 1990s. The organic farming area has nearly tripled from 1993 to 1999 (Foster and Lampkin 2000). This is partly debited to an increased consideration of organic farming in policy measures, either by policy measures targeting organic farming directly or policies with a potential application to organic farming. A first development resulted from the official definition and certification requirements for organic crop production in 1991 (EC Reg. No. 2092/91). The indirect consideration of organic farming in the agri-environmental measures (EC Reg. 2078/92) introduced financial aid applicable to organic farming (EC
Reg. 2078/92) in most EU countries. Just recently, food scares have lead to a boom in demand for organic products and have increased policy makers’ awareness of the potential benefits of organic farming. However, policies specifically targeting organic farming support do not remain beyond dispute and a sound justification for policies supporting organic farming becomes increasingly important.

POTENTIAL CONTRIBUTIONS TO AGRICULTURAL POLICY OBJECTIVES
Apart from the classic key objectives of the European Common Agricultural Policy competitiveness of European agriculture, farming income and food supply, food quality aspects and minimisation of negative environmental impacts of agricultural production have become increasingly important. Organic farming could be a measure on the way to achieve these goals, and therefore the specific contribution of organic farming to some of the stated objectives is discussed in the following.

ENVIRONMENTAL PERFORMANCE
The cost for off-setting the negative external effects of agricultural production is an increasingly discussed issue. Attempts to quantify the external costs caused by single factors have been made by Waibel et al. (1998) estimating the external costs of pesticide use in Germany and recently by Pretty et al. (2000) trying to provide a first estimate of the external costs caused by agriculture in the UK. For the former Federal Republic of Germany, costs of 125 million Euro per year were estimated for the directly assessable effects of pesticides on health, water quality, residuals in food, and loss of species. Pretty et al. calculated the annual costs from contamination of drinking water with pesticides in the UK to be approx. 190 million Euro per year. Obviously pesticides are the most prominent example for a discussion of external costs which can be avoided by organic farming. Nevertheless, this example highlights the potential of organic farming to reduce external costs caused by other factors of agricultural production.

The most commonly used argument in support of organic farming is its positive environmental effects. However, a selective support of organic farming practices on those grounds are only justified if organic farming actually results in less negative environmental impacts than its counterpart, conventional farming. Obviously, organic farming - as any farming activity - affects the natural environment. However, an extensive analysis of the environmental effects of organic farming in comparison to conventional farming (Stolze et al. 2000) concluded that on a per hectare basis organic farming has less detrimental effects on the environment than conventional farming. The results of this analysis are summarised in Table 1. In spite of these apparently so clear and broadly positive results are based on a thorough analysis of the literature available in 1999 they require some further argument.

Organic farming seems to perform better with respect to all considered indicators, but large differences exist between the various indicators. Critiques might, therefore, argue that other farming systems are likely to have even less detrimental effects on certain indicators than organic farming. However, the advantage of organic farming in this respect is the broad positive impact on a wide array of environmental indicators. The results presented might change over time and with developing legislation and policy.
For example, organic animal husbandry standards were only defined in the year 2000 by EU legislation and the above mentioned results have not captured their effects on environmental performance, yet.

Relating environmental effects of agricultural production to the farmed area could give a misleading picture. One might argue, that the more appropriate factor to relate the environmental effects of agricultural production to is the quantity of output produced. However, in the view of sustained surplus production in the EU this argument seems to be of minor relevance. Especially, when at the same time the issue of keeping marginal land in production is gaining importance in the EU.

Table 1: Assessment of organic farming’s impact on the environment compared to conventional farming

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Legend: Organic farming performs: ++ much better, + better, 0 the same, - worse, -- much worse than conventional farming; if no data was available rating was “0 the same”

X Subjective confidence interval of the final assessment which is marked with X

Source: Stolze et al. (2000)
THEME I

Food quality
The recent food scares in Europe have made consumers think more about the quality of the food they eat and the demand for organic food has increased dramatically indicating a high appreciation of the “quality” of organic food perceived by consumers. Extensive reviews of existing research results on the physically measurable quality of organically produced food in comparison to conventionally produced food (Woese et al. 1995; Stolze et al. 2000) have shown that no stringent conclusions about the quality of organically produced food in general can be drawn (Table 2). This is mostly due to a lack of results from comparative investigations of organic versus conventionally produced food. However, for some of the indicators organically produced food performed better than conventionally produced food: The risk of contamination of food with pesticides and nitrate was found to be lower in organic food.

Table 2: The quality of organically compared to conventionally produced food

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<td>BSE risk</td>
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<td>Antibiotic residuals</td>
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Legend: Organic farming performs: ++ much better, + better, o the same, - worse, - - much worse than conventional farming; if no data was available rating was “o the same”

Source: Stolze et al. (2000)

Existing research results on the risks associated with conventional animal produce offset the lack of results of comparative investigations concerning risk associated with organic versus conventional animal produce. For example, the risk of antibiotic residuals is assumed to be lower in organically produced meat since the sub-therapeutic application of antibiotics is strictly forbidden and therapeutic use avoided as far as possible and strictly controlled. The very recent discussion of BSE contaminated meat and the risk to humans also suggests a somewhat lower risk associated to organic meat in comparison to conventional meat. This is due to a long-time ban of animal meals in feed and the exclusive use of animals from controlled origin as far as possible. Nevertheless, BSE can also occur in organic herds.

The above discussion indicates there are risks associated to conventionally produced food which are unlikely to be found for organically produced food. Especially when applying the precautionary principle to food safety and agriculture organic farming seems to be an option.
FARM INCOME

One of the main concerns of agricultural policy is to preserve the economic viability of farming in general and to ensure a sufficiently high income so farming families will continue farming. A comparative review of the economic situation of organic and conventional farms in Europe up to the year 2000 (Offermann & Nieberg 2000) shows that on average profits of organic farms are similar to those of comparable conventional farms, with nearly all organic farms achieving +/- 20 % of the profits achieved by the respective conventional reference groups (Figure 1). Despite this a high variance is observed, especially between countries, regions and farm types.

Figure 1: Profits of organic farms relative to comparable conventional farms in different countries, results of different studies 1992-2000

AT = Austria, CH = Switzerland, DE = Germany, DK = Denmark, FI = Finland, GB = Great Britain, IT = Italy, NL = The Netherlands, NO = Norway, SE = Sweden
Profit = ‘Family Farm Income’, exception: in the UK net farm income was used. For countries where more than one observation exists, the dots are ordered by year. The further right the dot, the more recent the observation. Source: Offermann und Nieberg (2000), supplemented by new data
Due to the high price premia realised in the observation period and the design of the general Common Agricultural Policy measures, e.g. set-aside or compensatory arable payments, organic arable farms seem to have been more successful on average than conventional farms. For organic dairy farms, in general relative profitability is higher if measured per family work unit than if measured per hectare utilisable agricultural area. This results from the fact that organic farms tend to be a bit larger than the reference farms and tend to employ more paid labour while using less family workers. In nearly all cases, profits per family work unit were equal to or higher than profits from comparable conventional farms. However, a few of the organic dairy farms showed average per ha profits similar to the conventional reference group.

On the one hand, the economic performance strongly depends on the level of support payments for organic farming, which on average contribute approximately 16-24% of profits in Austria, Denmark, Germany and Switzerland (Offermann & Nieberg 2000). Another study observed somewhat higher profit contributions of 22-46% in Germany, Denmark and Italy (Häring 2001), with arable farms being more dependant on direct payments for organic farming (35-46%) than dairy farms (22-33%). On the other hand, the market situation can be even more important. Examples from Great Britain and Germany show that organic price premia account for 40-73% of profits of arable farms, while profit contribution by price premia is lower for dairy farms (10-48%) (Offermann & Nieberg 2000).

Time series of profits of organic and comparable conventional farms often exhibit a remarkable similarity over the years. This similarity may suggest that organic farms are subject to the same pressure to adapt to changing external conditions as conventional farms, possibly having similar consequences for structural change (farm growth) and rationalisation.

RURAL DEVELOPMENT
Rural development has become a key issue of European agricultural policy and an array of policies are implemented to enhance economic development in rural areas, with the main objective of increasing income of rural households and reducing unemployment rates. Employment through agriculture is already low in rural areas in the EU and is expected to further decline as in many areas farms are still too small to benefit from economies of scale.

An argument often used to support organic farming is the observation that organic farming on average requires a higher labour input than conventional farming. For example, Offermann & Nieberg (2000) found labour input on organic farms to be on average 20% higher than on comparable conventional farms, mainly due to a substitution of chemical inputs by labour and a higher proportion of labour intensive activities. However, considering the small work force bound in agriculture and the size of the subsector of organic farming only minor effects are expected. For example, in a region where agricultural employment accounts for 5% of all jobs, a 20% increase in organic farming would result in a mere 0.2% increase of overall employment (Dabbert & Zanoli 2001). Therefore, the expected direct contribution of organic farming to rural employment rates is insignificant, but other, indirect factors justify further argument.
On the one hand, marketing and processing of organic products to date has mainly developed as small businesses closely related to primary organic production but legally independent. Many of these are either efforts of farm families to create additional income sources for increasingly unnecessary family labour, while others evolved from co-operating initiatives often creating employment opportunities in the long run.

On the other hand, organic farming might contribute to a positive image of rural areas not only for agriculture but also to other sectors of rural economies. Young farmers seem to increasingly favour organic farming (e.g. Tress 2000) and the conversion to organic farming could be a reason for them to remain farming instead of choosing other employment opportunities. A strong commitment to environmental goals might add to the appeal of a region for tourism, which will most likely have positive effects on companies from other sectors in choosing a certain region as business location. As a result, several regions exist which have tried to use the positive image created by organic farming as a motor for rural development (e.g. Biosphärenreservat Rhön in Germany).

In summary, although organic farming is expected to have little direct effects on unemployment rates in rural areas, small scale marketing and processing initiatives may contribute directly to rural employment. Indirect effects such as increased employment in tourism due to a positive “ecological” image of a region can also be of importance.

SURPLUS REDUCTION AND GOVERNMENT EXPENDITURE

The Common Agricultural Policy is one of the main sources of expenditure of the European Union. For the planning period of Agenda 2000, the years 2000 to 2006, a projected 300 billion Euro will be spent (EC 2000). Traditionally, the two major sources of expenditure have been direct payments to producers and market support such as export subsidies and storage costs. With the objective of reducing storage costs and to stabilise market prices, surplus reduction itself has become a declared policy goal.

Organic farming can significantly contribute to surplus reduction since the observed yields are much lower in organic compared to conventional production. This holds especially true in plant production (Offermann & Nieberg 2000). For example, cereal yields in organic production are typically only 60-70% of those from conventional production, although comparative yield levels vary with country, region and crop. On the contrary to most organic crops, organic vegetable yields tend to be as high as conventional yields. While performances in livestock production are similar to those of conventional production, lower stocking densities observed on organic farms result in lower performances per hectare.

The most prominent source of expenditure for organic farming is direct payments paid within the agri-environmental programmes. These expenses amounted to 300 million ECU (1996) for the 15 EU countries (Lampkin et al. 1999) and are often quoted by critiques of organic farming. However, taking only costs related to the above mentioned reduction of surpluses and change in farming structure after conversion to organic farming into account, expenditure would be approximately reduced by half of the amount spent on direct subsidies (Zanoli & Gambelli 1999). This was the result of a comparison of the hypothetical situation of a Europe without organic farming (0%) with the observed situation in 1997. A similar calculation reported by Offermann (2000) puts the savings in arable area and headage payments under Agenda 2000 conditions at 13 % of the
expenses for organic farming. Obviously, an increase in organic farming area would still result in higher expenditure than for conventional agriculture, but compared to other agri-environmental schemes the previously mentioned benefits might become increasingly important in the future.

ORGANIC FARMING AS A POLICY MEASURE - A VIABLE OPTION?
The potential benefits of organic farming policy objectives have been highlighted in the previous sections. However, organic farming addresses the objectives of the CAP to varying degrees. The environmental effects of organic farming seem to be largely positive in comparison to conventional farming on a per hectare basis. In comparison to conventional food, organically produced food tends to be associated with less risk factors to human health. Income levels from organic farming are comparable to income generated on conventional farms. With respect to rural development organic farming is expected to have little direct effects, i.e. on unemployment rates, although small scale marketing and processing initiatives may contribute directly to rural employment. However, indirect effects such as increased employment in tourism due to a positive “ecological” image of a region can be of importance. In summary, it can be concluded that organic farming could contribute to several of the declared policy objectives of the CAP.

However, for policy design not only the relative contribution of organic farming to policy objectives in comparison to conventional farming is relevant, but the main issue is the absolute contribution of an activity to certain policy objectives at relatively lower costs than caused by an alternative activity. Based on the information available to date, no clear conclusion can be drawn if organic farming achieves the desirable effects at lower costs than other farming activities. Despite a certain “auto-funding” rate through reduction of public expenditure, critiques argue that costs for direct payments to organic farming are extremely high and that the same targets could be reached more cost effectively via other, more specific measures (Alvensleben 1998). This leads directly to the question of the required quantity and variety of specific measures to be implemented to achieve the same effects on such a wide array of targets as organic farming, and the costs caused by the implementation, administration and control of these. Therefore, it is concluded that organic farming can contribute to several of the declared policy objectives of the CAP. While it can be argued that an improvement in a broad set of indicators by organic farming might be more cost-effective than other farming systems, the empirical information on this issues is scarce. Nevertheless, the positive effects on a broad range of policy objectives clearly justify the support of organic farming.

REFERENCES
THEME I


Ms. Manon Haccius (DE)

How to Meet Consumer Expectations when Trading Organic Products?

To give one possible answer to the question posed in the title of this presentation, the example of AlnaturA is described. AlnaturA, a German production and trade firm for organic products, was founded in 1984. Today, it employs 300 employees. AlnaturA trades approximately 400 different organic food products through 11 own organic supermarkets and through 1400 outlets of trade partners in Germany and Austria. AlnaturA runs a vegetarian and organic self service restaurant in the city of Karlsruhe. And it has a textiles branch, which offers two collections per year of baby and children’s clothing made from organically grown cotton. These are sold under an own brand name (Cotton People organic) as well as under other private labels.

One motto which governs AlnaturA’s activities is: “The human being stands in the centre”. All the activities are in more than one sense meant to benefit people: employees, the partners in processing and trade as well as the clients and consumers. AlnaturA takes their mental as well as physical needs and desires serious and tries to fulfil them as good as possible in the given field of activities, i. e. organic food and textiles production and trade.

When AlnaturA took up production and marketing of organic food products in its first organic supermarket in 1987, consumers were asked what they wished the “ideal” organic food product to be and what their main questions were. The results: Consumers mostly doubted the reliability of organic farming origin. Therefore, the organic farming origin of foods needed to be communicated in an authentic, clear and credible way. Consumers wanted the products to taste good, to have a reasonable price, to be easily available and they wanted to be able to get more information about AlnaturA products and their quality. AlnaturA strove and still strives to fulfil these demands.

Last year, AlnaturA once again conducted a study to find out about the possibly modified consumer demands. Results were remarkably similar. Consumers mostly asked: Is the product really organic, is it healthy, is it ethically o.k., does it taste good, does it have a reasonable price and is further information available?

As a consequence from these surveys, AlnaturA presents its products as credible, authentic, nice-to-look-at organic products and does so in an “unideological” way. It offers a broad range of products for basic needs and day-to-day use, putting the key emphasis on good tasting products, which are carefully processed. Convenience needs of consumers are also taken into account. An expert panel helps to solve health, nutrition and technology related questions, when recipes are developed. Thus it is ensured that strict processing standards (those of the German organic umbrella organisation) are applied.

AlnaturA has set up detailed quality requirements in the contracts with the 50 different processors who produce the products for AlnaturA. AlnaturA conducts a carefully designed residue testing system for all its products, which are screened between one and four times per year for the possible presence of pesticides residues, heavy metals or microbiological contamination as well as for the possible presence of genetically modified organisms or their DNA, in case the ingredients of a product are of such an origin that
genetic modification could present a problem. When contaminations are detected which are beyond ubiquitous levels, a thorough search for the reason starts. Products are taken from the shelves if necessary. Besides, AlnaturA has been supporting scientific holistic food evaluation projects for more than 10 years now and hopes to be able to put these results into practice in the future.

Sales personnel in the own shops as well as in the shops of the trade partners are educated about organic products in general and about AlnaturA products regularly. To have the sales personnel convinced and well educated about organic product quality has proven to be a key element to trade organic products successfully. Organic products are not “self explanatory”. Additional information must be easily available. If this is the case, consumers find it easier to believe in the integrity of organic products. If they wish, consumers of AlnaturA products can obtain information from the sales personnel of the trade partners and of course in the AlnaturA shops, but also through the internet or via post, phone, fax and e-mail from AlnaturA’s head office. Several hundred consumers make use of this possibility each month.

Cooperation with new trade partners is established carefully and with taking one’s time. The trade partners are expected to obtain a “reasonable” range of products under AlnaturA’s brand, not just to pick a few “favourites”. Also, they agree to the training concept for their employees. These employees learn basic facts about organic farming in general and about the AlnaturA products. They will always have their questions answered quickly by AlnaturA. Not many trade partners are willing to go this very consequent way.

Finding out consumers’ wishes, taking them serious, and striving to fulfil them is a successful way to meet consumer expectations when trading organic products - together with the partners in trade and processing. Looking at “the human factor”, not only with consumers, but also with trade partners, their employees and AlnaturA’s employees are further key elements to win consumer confidence and to keep it.

When looking at the question how politics could support the marketing of organic products, clear consumer information and education about the reliability of organic products comes to mind first. This implies that the message - for instance by using a logo - is not confounded by communicating “integrated” or “traditional” or “regional” qualities in practically the same way as “organic quality”. This would confuse consumers and would cloud the clear profile of organic products established and maintained through the EC-Regulation organic farming (No. 2092/91/EEC).

A logo that consumers can relate to and that they find credible, will help. This logo would best be established and managed at national level. The EU Commission’s organic logo does not fulfil these requirements, because it is designed to communicate various product qualities with very similar logos. The organic logo of Denmark seems to be a good example for clear, efficient and credible consumer education.

The Danish model of a national council for organic farming which brings together all those who are active in the organic farming and trade sector is considered as very helpful to find and finetune the instruments to reliably benefit the organic sector and facilitate its further growth.
Mr. Sampsa Heinonen (FI)
The Role of Legislation

The role of legislation is to define, regulate, protect and promote organic production. In this presentation, my aim is to illustrate, how legislation can effectively be used in targeting these roles.

The commitment to organic production can be expressed by way of legislation. Aid schemes promoting conversion to organic production along with constant growth in demand increased the area of organic farming in the European Union 15-fold during period of 1990 -2000. The Council Regulation 2092/91 is one facilitator for this success.

This presentation is a user point of view on legislation, especially the Council Regulation. For a public inspection body such as the one I represent, the Council Regulation is an everyday tool for guiding the standards and conducting the inspections of organic production.

Short history of organic legislation
There has been legislation on organic production in the United States already since 1973 (Oregon Administrative Rule 603-25-040). Upon its implementation, this Administrative Rule of State of Oregon provided protection for the industry through its simple yet legally binding definition of “organic” as an agricultural system managed without the use of synthetic substances.

In Europe the minimum standards for organic production and inspection bodies authorised by the state were first introduced in French legislation on organic production during years 1980-88. In 1991 the Council Regulation 2092/91 became the first multinational set of legislation on organic production.

What is the definition of European organic production?
Standards are usually regarded as technical and therefore one may think they are based on science - the laws of nature. However, this is not always the case: Ultimately standards are just compromises between aims and their technical and economical solutions. This applies also for organic production but with one special feature: There is no scientific definition for organic production.

Organic production is defined through standards based on aims and principles. Therefore organic production can be defined as value-based agricultural and food production.

The original Council Regulation 2092/91 expresses the issue of these aims and principles of organic production rather scarcely. The preamble notes the following:
- involves less intensive use of land
- in the context of the reorientation of the CAP, this type of production may contribute towards the attainment of a better balance between supply of, and demand for, agricultural products,
- protection of the environment
- conservation of the countryside
THEME 3

• methods entail significant restrictions on the use of fertilisers and pesticides, which may have detrimental effects on the environment or result in the presence of residues in agricultural produce

In the Council Regulation 1804/99 aims for organic animal production are well-defined:
• livestock production is fundamental to the organisation of agricultural production on organic-production holdings
• organic production of livestock must in principle provide for a close relationship between such production and the land,
• suitable multiannual rotation systems
• the feeding of livestock with organic-farming crop products produced on the holding itself
• prevent pollution of water by nitrogenous compounds
• housing for all species of livestock should satisfy the needs of the animals concerned

Presently two other international set of standards for organic production, Codex Alimentarius Guidelines for the Production, Processing and Labelling and Marketing of Organically Produced Foods and the IFOAM Basic Standards for Organic Production and Processing, define the aims of organic production wider than the Council Regulation. The aims and principles do not only help to define organic production, but they are also an important tool for marketing of organic produce. In the eyes of the consumers they sometimes seem to be more fascinating than the standards!

Therefore possibilities of developing common aims for organic production in the European Union should be evaluated as a part of revision work of the Council Regulation. Also consumer interests and the development of organic production set challenges for legislation. For example, consumers ask how products transported from “other side of the world” can be regarded as organic?

Consumer confidence on organic products shall be maintained. The regulation should also meet consumer needs for new product categories such as fish products.

Other initiatives that have come up are:
• Measuring environmental effects of organic production e.g. through methods as nutrient balances, Life Cycle Analyses or “ecological foot-prints”.
• Social standards for organic production (regarding third world countries)
• Standards for inner and external quality
• Quality Management Systems
• Local and apellation type of production

Can control be improved through legislation?
I hear sometimes that the quality cannot be improved through control. This is true, if the quality is regarded as a part of the production process. Therefore the quality of the production process can be improved through the production standards. However, in the case of organic production, the control is an essential part of the quality of the end-product. The Council Regulation aptly wants to “ensure conditions of fair competition between the producers of products” and to “improve the credibility of the products in the eyes of consumers”
As being one of the many instructors whose task is to put the Council Regulation into practise, I’m especially interested in methods of inspection. One of the tools for developing the inspections is the HACCP-principle (Hazard Analyses Critical Control Point). American organic inspector association, IOIA, call them Organic Control Points (OCPs). OCPs are any points or procedures in an organic production, processing, or handling system where there is a high probability that improper control may cause, allow, or contribute to the loss of organic integrity.

This is just an example that regarding inspection both legislation and developing methods of inspection are important. However, in the short run it is even more important to improve the methods of inspection.

We also need more co-operation between inspection bodies throughout Europe in order to have information and experience exchange, harmonisation of interpretations and developing inspection methods. The inspection bodies - including all private and public bodies- in the Nordic countries started this type of co-operation already in 1995 and this year the meetings expand to include the Baltic states. On the EU level this type of work started in last August with initiative under name European Organic Certifiers Council.

Legislation can speed up the development
The original Council Regulation from 1991 stated that the Commission shall give a proposal on standards on organic animal production by 1 July 1992. As we all know the Regulation came into force in August 2000.

On the contrary banning the genetically modified organisms (GMOs) was a quick process, although the technical problems concerning the legislation were by no way simple. In my understanding the fast track GMO-ban was possible because there was common understanding that “genetically modified organisms and products derived therefrom are not compatible with the organic production method.”

It is easy to understand that - from the legislation user point of view - slow process is influenced by many technical problems, natural conditions and the state of organic production of 15 the Member States.

The details are one factor effecting the speed of making the legislation. In the case of new fields of production there is a need for more courage to accept less detailed legislation, since “complete” legislation seems to be endless number of details.

The process could be improved by the principle of continuous improvement. This seems to the normal procedure with the organic standards.

There is a continuous need for a legislative programme concerning organic production. The programme should be communicated to the public and it should provide the guidelines for the discussion and preparation work in the Member States.

What are the aims and principles of the legislation on organic production?
In order to serve the development of organic production, the state of legislation calls for continuous evaluation. The future legislation on organic production could well be based on the following principles, which are modified from the principles proposed by a Finnish expert group on the basic principles of developing public administration in 1995:

- The principle of comprehension. Legislation provides the framework for the development of organic production.
The principle of securing the comprehensive interest. Legislation functions as a base for risk management.

- The principle of susceptibility and innovation. Legislation takes account of changes and reacts easily and in an appropriate way.
- The principle of unambiguousness and closeness. Legislation is clear, quick and efficient. Legislators work in close interaction with the organic product industry and other parties involved.

Mr. Antonio Compagnoni (IT)

Coping with Growth -
How the Organic Control and Certification Bodies deal with the BIO-BOOM in Italy

AIAB-ICEA International Relation Responsible

In this presentation I’ll try to explain how I still feel reasonably comfortable, from the control and certification point of view, about the tremendous development of organic agriculture in Italy, that now counts over 50.000 organic farmers with about a million hectares of land, and it’s market is jumping fast out of the niche.... I’ll show some data, some general and some more detailed ones coming from the largest Italian control and certification body (AIAB-ICEA) to help analysing better the Italian situation. I’ll explain how the control and certification system is organised in Italy, including some reflection on its origin and future development. I’ll then explore briefly the reasons behind the bio-boom in Italy, its challenges and its opportunities, concluding with the lessons that could be learnt from it.

Presentation structure:
1. The Numbers of the Bio-Boom
- Development Organic Agriculture in Italy 1990-1999

<table>
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<tbody>
<tr>
<td>N. of Organic Farms</td>
<td>1 300</td>
<td>1 500</td>
<td>2 500</td>
<td>4 189</td>
<td>9 042</td>
<td>10 851</td>
<td>17 393</td>
<td>31 118</td>
<td>43 698</td>
<td>49 018</td>
</tr>
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<td>Organic Land (ha)</td>
<td>13 000</td>
<td>18 000</td>
<td>30 000</td>
<td>91 638</td>
<td>153 626</td>
<td>204 238</td>
<td>276 070</td>
<td>564 913</td>
<td>788 070</td>
<td>958 687</td>
</tr>
</tbody>
</table>

- Organic Land Use (31.12.97)

Organic production in Italy (% of hectares)

- 10,4 % industrial crop
- 2,7 % wine
- 9,4 % olive
- 7,7 % fruit & veget
- 22,9 % cereals
- 45,4 % fodder

AIAB numbers
THEME 3

AIAB controlled operators in 1996-2000

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</thead>
<tbody>
<tr>
<td></td>
<td>numero</td>
<td>Incr. %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABRUZZO</td>
<td>94</td>
<td>213</td>
<td>267</td>
<td>276</td>
<td>303</td>
</tr>
<tr>
<td>BASILICATA</td>
<td>43</td>
<td>55</td>
<td>56</td>
<td>57</td>
<td>104</td>
</tr>
<tr>
<td>CALABRIA</td>
<td>194</td>
<td>420</td>
<td>697</td>
<td>694</td>
<td>978</td>
</tr>
<tr>
<td>CAMPANIA</td>
<td>88</td>
<td>135</td>
<td>298</td>
<td>407</td>
<td>449</td>
</tr>
<tr>
<td>EMILIA ROMAGNA</td>
<td>509</td>
<td>828</td>
<td>1.074</td>
<td>1.109</td>
<td>1.393</td>
</tr>
<tr>
<td>FRIULI VENEZIA GIULIA</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>15</td>
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<tr>
<td>LAZIO</td>
<td>605</td>
<td>690</td>
<td>326</td>
<td>423</td>
<td>511</td>
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<td>38</td>
<td>45</td>
<td>60</td>
<td>69</td>
<td>103</td>
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<tr>
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<td>139</td>
<td>100</td>
<td>118</td>
<td>138</td>
<td>187</td>
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<tr>
<td>MARCHE</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
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<td>MOLISE</td>
<td>17</td>
<td>30</td>
<td>80</td>
<td>104</td>
<td>79</td>
</tr>
<tr>
<td>PIEMONTE</td>
<td>143</td>
<td>254</td>
<td>416</td>
<td>298</td>
<td>357</td>
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<tr>
<td>PUGLIA</td>
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<td>2.140</td>
<td>2.076</td>
<td>2.950</td>
<td>2.802</td>
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<td>SARDEGNA</td>
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<td>2.304</td>
<td>2.857</td>
<td>2.553</td>
<td>2.503</td>
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<td>SICILIA</td>
<td>924</td>
<td>1.173</td>
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<td>1.397</td>
<td>1.735</td>
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<tr>
<td>TOSCANA</td>
<td>404</td>
<td>459</td>
<td>519</td>
<td>660</td>
<td>866</td>
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<tr>
<td>TRENTINO ALTO ADIGE</td>
<td>117</td>
<td>145</td>
<td>150</td>
<td>189</td>
<td>222</td>
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<tr>
<td>UMBRIA</td>
<td>234</td>
<td>301</td>
<td>316</td>
<td>465</td>
<td>489</td>
</tr>
<tr>
<td>VENETO</td>
<td>317</td>
<td>386</td>
<td>433</td>
<td>463</td>
<td>502</td>
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</tbody>
</table>

AIAB certified operators per categories with their total land subdivided in organic, in conversion and conventional.

<table>
<thead>
<tr>
<th>Type of activity</th>
<th>Total operators</th>
<th>Agricultural land in hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>organic</td>
<td>conventional</td>
</tr>
<tr>
<td>P</td>
<td>11.564</td>
<td>147.245</td>
</tr>
<tr>
<td>PT</td>
<td>501</td>
<td>137.924</td>
</tr>
<tr>
<td>T</td>
<td>786</td>
<td>21.722</td>
</tr>
<tr>
<td>PZ</td>
<td>667</td>
<td></td>
</tr>
<tr>
<td>PZT</td>
<td>89</td>
<td></td>
</tr>
</tbody>
</table>

CATEGORIES:
P = Agricultural production  PT = Agricultural production + on farm processing  
T = Processing  PZ = Agricultural production + animal husbandry  
PZT = Agricultural production + animal husbandry + on farm processing

1. The control and certification system for organic agriculture in Italy

In 1990 there were only four certifying-bodies/ producers’ associations in Italy. These were AIAB (http://www.aiab.it), Suolo e Salute, CCPB (http://www.ccpb.it) and the Biodynamic Association, which later gave rise to a certifying body named CODEX. AIAB was the largest association, grouping together many local-regional grassroots associations. Suolo e Salute (established in 1969) and the Biodynamic Association (established in 1947) were the historical cultural/producers’ groups, while CCPB is a co-operative (established in 1988) promoted by co-operatives, processors and large co-op retailers.
At the end of 1993, a year after the EU regulations on organic agriculture had come into force, the Italian Minister of Agriculture recognised three new organisations (A.M.A.B., AgriEcoBio and BioAgriCoop), bringing the total number of certifying bodies up to seven.

In December 1996, the Ministry of Agriculture (the competent authority) confirmed the registration of all certifying bodies (some of which had changed their names) except AgriEcoBio. This association did not conform to EN 45011 standards, and its place was taken over by two new bodies (QC&I and Ecocert) both of whom were recognised and registered. In early 1999 another control body, BIOS, was recognised.

AIAB, Bioagricoop and CCPB are IFOAM accredited.

In 2000 AIAB promoted ICEA limited consortium, together with DEMETER Italy, ANAB (the Italian BioBuilding Association), ACU (Consumers association) and Banca ETICA (Ethic Bank) that in the course of 2001 will inherit the AIAB control and certification system leaving to AIAB the organic agriculture standards development, the managing of the Garanzia AIAB seal and the activities of research, training and promotion of organic agriculture.

Number of farms and hectares certified by individual certifying bodies 1998

<table>
<thead>
<tr>
<th>Name of organisation</th>
<th>Certified farms</th>
<th>Certified hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associazione Italiana per l’Agricoltura Biologica, AIAB</td>
<td>9,687</td>
<td>159,104</td>
</tr>
<tr>
<td>Associazione Suolo e Salute</td>
<td>6,451</td>
<td>121,638</td>
</tr>
<tr>
<td>Bioagricoop</td>
<td>4,260</td>
<td>119,422</td>
</tr>
<tr>
<td>Consorzio per il Controllo dei Prodotti Biologici, CCPB</td>
<td>2,024</td>
<td>29,922</td>
</tr>
<tr>
<td>Codex</td>
<td>1,016</td>
<td>14,330</td>
</tr>
<tr>
<td>Ecocert Italia</td>
<td>2,565</td>
<td>40,527</td>
</tr>
<tr>
<td>Istituto Mediterraneo di Certificazione, IMC</td>
<td>2,198</td>
<td>30,353</td>
</tr>
<tr>
<td>Q.C. &amp; I.</td>
<td>2,917</td>
<td>49,617</td>
</tr>
<tr>
<td>BIOS</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>
2. How's been dealt the Bio-Boom

- By the Public Authorities

Only in the last year with the green Minister of Agriculture Alfonso Pecoraro Scanio some targets were set for organic farming at national level: to reach the 10 % of all agricultural land by 2005, starting also defining tools to reach that goal as promotion and information to consumers public campaigns, and offering grants for experimentation activites fo promotion and of research in organic farming.

A national committee for Organic Agriculture has been established with a consultive purpose for legislative actions (e.g. the revision of the ministerial decree for implementation of organic animal husbandry and the official recognition of not registered means of production for organic farming and homeopathic veterinary) and for defining national strategies for the development of organic farming.

Until last year very little has been done by the Public Authorities at national level, mainly the ministry of Agriculture, with is underresourced organic agriculture office, tried to cope with the EU regulatory system getting consultation from the private sector on the implementation and updating of the EU Reg. 2092/91. Some more came from some Regional Governments that started giving opportunities to the sector to develop with some grants for research, demonstration, divulgation, extension and promotion activities.

- By the Private Sector

With the lack of state support the private sector had to relay mainly on its forces to cope with the growth. Specially the older grassroot associations invested a lot of resources to organise the production, distribution and promotion of organic products also for the internal market, meanwhile supporting the authorities and the international organic movement to implement and improve the EU And national regulation. Particularly succesful has been the long lasting alliance between the organic movement with environment and consumers associations in promoting organic agriculture products but also in lobby activities and with a direct involvement in the certification system.

3. The Future

The recent national market development, the continous crisis of conventional agriculture and animal husbandry, together with some public sponsored extension and marketing services give signals of optimism for the future. The growth may not be so large as in the 2078 years but the quality of the growth seems more than interesting. More and more extensive farms that are already converted to organic, but never marketed their products as organic, often helped by some regional development projects, they are finally reaching the organic market. Larger farms and processors are starting converting to organic pulled by the strong demand of the national and foreign markets.

5. Conclusions

- without an already developed organic sector, small but very motivated and passionate, the growth of the organic movement in Italy would never get at todays level and, without the experience of the private certification organisations the authorities would never cope with that growth.
THEME 3

- The connection between the associative organic movements and the control and certification private organisations has been a crucial factor for the success of the organic agriculture development in Italy.

- The strength of the organic movement in Italy has been the capacity to integrate with the growing consumers and environmental movement and to communicate and interact with the international organic agriculture movement (IFOAM).

Mr. Per Baumann (SE)

Securing against Fraud

Some examples on fraud recently:
  Eggs in Denmark
  Corn from Germany

The scale and cause of the cases have been different.

In all of them You can say that the inspection has failed in one way but as the fraud has been revealed the control has fulfilled its purpose. It is however very important that we can learn something from these “accidents”.

There has to be an understanding among consumers that dealing with organic production and certification is not always easy. We are not facing a sole white or black reality. The certification bodies have got special routines for handling deviations and/or derogations.

The groups within the certification bodies that has to evaluate derogations according to the rules, has to consist of very competent persons.

- How to secure sufficient inspection and certification, with consideration of the costs and the bureaucracy? This will depend upon if the development will be regulatory or market driven. From the Swedish consumer cooperatives point of view we will recommend an even more stronger market driven approach. All parties concerned has to be involved in all the activities, rule development, certification procedures, certification bodies, marketing, a.o., to put on a shared responsibility.

The market is the absolute judge. Once You have deceived someone You are condemned for life. However, this must also include discussions on how to secure the market from reacting on malignant rumours. Increased transparency and involvement of all stakeholders is a way to forestall that problems will occur. It is, of course, not possible to prevent every single deviation, but the competent bodies has to be organized in a way that could deal with them.

On the other hand I am convinced that a very detailed regulation governed by the state and without any significant impact from other stakeholders will not either be able to guarantee a total security from fraud or fraudulent behaviour.
I am more inclined to think that this could generate resistance amongst many stakeholders and encourage swindle and even criminality.

If it will be we and them it could easily be we vs them. Then the inventiveness risks to turn to how to cheat the system instead of being a healthy and dynamic one. As the organic production, and sector as a whole, will grow, we will presumably meet more and more signs on creativity when it comes to stretching the rules. The experiences from Sweden are after all that a private certification body has advantages before a state one:

- Engaged stakeholders from a broad part of the sector, from stable to table, secures and creates credibility, trust and understanding for rules and routines
- Different groups and levels of the body are populated by persons with different competences from various stakeholders.
- There is a very strong driving force to protect the brand of the certification body.
- How to secure cross-control between certifiers and countries? EU as a part of a global system?

The Swedish consumer cooperatives, corresponding to more than 50% of the organic sales in Sweden, has firm confidence in the way that the international organisation IFOAM is working with accreditation. The recent signing of a cooperation agreement among the IFOAM accredited certification bodies, the so called Multilateral Agreement, MLA, will make international trade in organic products easier. It seems to be easier for non governmental bodies to share confidential documents and information with each other than to get hold on or share it with the authorities in different countries due to the principle of mutual recognition.

- How to communicate trust in the systems to consumers?

In many countries, and for example also in the Nordic eco-label organisation, the Swan, there is a belief that the participation of authorities guarantees the reliability of the system. Once again I mean that this depends on whether the development is driven by regulations or the market. The sharing of responsibilities among all the involved stakeholders signify that they put their reputation at risk.

- What are the roles and the needs of different stakeholders including the retail sector?

In many of the European countries organic food has become an important part of the major retailers environmental work. The consumer cooperatives in Great Britain, Italy, Denmark, Finland, Spain, Norway and Sweden have been working with these issues for quite a long time. Allmost everybody has developed one private brand dedicated to environmental issues. Everyone is also complaining about the lack of organic products. So the needs of retail business are more organic products, but also a readiness to meet temporary surpluses due to stimulation of the primary production.

Recommendations:
- Involvement and participation of all stakeholders
- Transparency, open books
- Documentation on conventional crops
  - The producers has to show what they have done (pesticide records)
- The certification of organic production must not develop to become an excess in paper production.
THEME 3

- Consumers will not continue to pay a premium if this just will feed a growing bureaucracy. There has to be a shift so the polluter would pay for their environmental impact and/or risk.

Finally I will emphasize that from the European consumer cooperatives (Euro Coop) point of view we regard these recommendations as crucial for a continuous success of a healthy and credible organic sector.

Mr. Alberik Scharpé (BE)
Conference Speech
This presentation represents the personal views from the author, does not engage the Commission or its services.

1. Since 1991 the EU has created the regulatory framework of Regulation (EEC) n° 2092/91 to regulate the organic farming sector. It provides for:
   - a set of minimum production and processing rules which must satisfied in order a product being labelled “organic”;
   - a specific inspection regime which is obligatory for all operators which are involved in the placing of organic products on the market, whether they are from the E.U. or whether they are imported from third countries.

I would like to take the opportunity of this discussion to go in some more detail on the effect of Regulation (EEC) n° 2092/91 on the development of organic farming within and outside of the E.U.

DIRECT EFFECTS
This Regulation has given to the organic farming sector a precise definition which permitted the sector to identify itself to the consumer and to ensure that the organic products it brings to the market are credible, are really organic products. Effectively, the lack of such clear definition and the lack of a well organised inspection system were the major reasons why the sector in the years 70-80 was considered with a lot of suspicion from the general public, as well as from the conventional farming side, the processing industry and even by several public administrations. In 2001, ten years after the adoption of the Regulation, the organic farming sector has found its place in the market, fully recognised by the public, the distribution chains, including the super-market chains, the food industry and also the public administrations.

The Regulation has also given protection to the farmers applying the organic production method, and given them a climate permitting fair competition with other producers, within the E.U. or in third countries, who were not applying the organic production method or only applying the method to a certain extent. Only in such climate of protection, farmers are stimulated to undertake the investments which are required to convert to organic farming.
The regulation has also had other, **indirect effects**:
First the Regulation has forced the sector to structure itself. The specific inspection system lead to the creation of several inspection bodies or authorities and to a registration of all operators active in the sector. Also interest groups were created at regional, national and at E.U. level in order to defend their interests.

Secondly, by defining the organic farming production method, the Regulation also implied that this method was given a certain official recognition, and placed the sector in a favourable situation for being integrated under the financial support of the agro-environmental programme (Regulation (EEC) n° 2078/92 and Regulation (EC) n°1257/1999) and for being integrated in the official research programmes.

Thirdly, the Regulation has catalysed similar developments outside the European Union. The Regulation was in 1991 developed in Council with participation of 12 Member States. It has been taken over by AU, SE and FIN at their accession in 1995, and afterwards by NO, IC and Liechtenstein in the framework of the EEA agreement, while the E.U. and CH have recently agreed to a mutual recognition of their respective regulations and a close co-operation for the further developments of the regulation in future. Candidate countries in Eastern Europe are currently developing legislation and the structures to align themselves to the provisions of Regulation (EEC) n° 2092/91, which will become the regulatory framework on their territory after accession. The basic principles of E.U. Regulation have also been integrated in the Codex Alimentarius Guidelines, and 10 years after the E.U. took the initiative to define and to recognise the organic production method, we notice that the two other large consumption markets of organic products, Japan and the U.S. have taken similar regulatory initiatives, which very soon will enter into force.

2. In the introduction for this session, it is indicated that "it is difficult to find a simple general legislation, which without difficulties can cover the whole of the E.U., given the differences in climate, culture and the state of organic farming". This statement is based on the long and difficult experience with the development of the livestock standards.

The development of the livestock standards in Council was effectively a long process, as it was started in 1991 with a study of Mr. Scofield, which showed at that time there was either no standardisation at all or the standards in countries were totally diverging from each other. However, the Council has done its work and a minimum standard for the whole E.U has been realised in 1999 and has entered in force in august 2000, covering about 95 % of the livestock production. The standard can now further grow by two mechanisms:
- further gradual harmonisation and further restriction of the requirements due to the expiry of certain transitional derogations in the text by the simple running of time;
- technical adaptation of the provisions via Commission decisions, based on an opinion of the Standing Committee on Organic Farming in which all Member States are represented, i.e. without the procedure involving Council and Parliament.

I several times heard the criticism that also the Commission procedure is too slow. In this respect I would like to indicate that there is a permanent pressure from the industry or the market to make the provisions more flexible, in fact to de-restrict the provisions. It is rare that a request is made for more restrictive provisions.
As most requests concern de-restriction, there is a lot of divergence of views and often reluctance to accept them. Is a product produced under the less restrictive provision still satisfying the expectation the consumers have for an organic product?

There is another reason why the pressure for more flexibility - i.e. less strict rules - has to be handled with a lot of care, prudence and reflection. Effectively in conventional farming the pressure and legislative action in recent years clearly went in the other direction: the use of fertilisers is more strictly regulated, all pesticides are currently under a screening programme based on the highest environmental and human safety criteria, in the livestock area animal feeding practices and animal welfare requirements are strengthened as a result of the crises in the livestock sector.

If therefore, it is the aim to maintain on the long term the specificity of the organic farming products with a significant difference to conventional products, it seems necessary to examine with care any request for more flexibility.

With regard to the statement that differences in climate, culture and state of organic farming are difficult to cope in a regulation, I can only note that the regulation is now gradually getting implemented in accession countries and that the Commission and Member States have been able to accept equivalency of the systems applied in more than 80 countries all over the world.

3. For this session, the issue of the **inspection and enforcement** has been highlighted.

In this context I would like to indicate that for the organic sector loosing the confidence of the consumer would be a failure which probably could not be restored again. The recent developments in the food area, in particular the dioxin crisis and the BSE crisis, have shown how important the effect on the market can be when the sector looses credibility with the consumer. I believe that such credibility crisis would have even stronger effects in the organic food area, where consumers pay more for food products which are also available as conventional products.

Maintaining the credibility is in the very first instance the responsibility of the operators in the sector itself. Inspection systems normally only detect fraudulent practices after they have taken place, and in most cases after the products have been marketed and consumed. On the contrary, the operators know from day to day the practices they apply, and they know, or can make that they know, from whom they bye their input products and to whom they sell their the products they produced, processed, packaged and/or labelled. In case of doubt or suspicion, they can, in order to preserve their interest on the long term, take the necessary steps to ensure that these cases are timely explored and followed up by the public authorities in charge of inspection.

Coming to inspection, Regulation (EEC) n° 2092/91 has, as is the case for most E.C. regulations, left the responsibility for inspection and enforcement of the regulatory requirements to the individual Member States.

However, as in the period 1987-1989 where this regulation was developed, the organic farming sector was still suffering from a broad suspicion, the Regulation has given a large emphasis on the obligations of the Member States in respect of enforcement and inspection.

First the Regulation has provided explicitly that Member States were to take all required general enforcement measures. Article 10a is very clear: Member States shall take
whatever measures and action which are required to prevent the fraudulent use of the indications referring to organic farming.

Secondly, beyond these general enforcement measures, the Regulation has laid down, in its Articles 8 and 9, an obligation for Member States to set up a specific inspection regime for the organic farming sector. This regime provided on the one hand the introduction of an official registration of all holdings involved in the production, the preparation (i.e. processing, packaging and labelling) of organic products. On the other hand the Member States had to set up a specific inspection system, which is operated either by private inspection bodies satisfying the quality standard EN45011 or by one or more public inspection authorities.

The Regulation has provided for a permanent task of supervision of the inspection bodies; this supervision requires i.a. to set up a system of information between the inspection bodies and the public authorities on the irregularities and infringements which were found during the inspection. This information permits the public authorities in the Member State to check whether the inspection bodies apply the provided private penalties, but also to take, where necessary, appropriate general enforcement measures.

Thirdly, the Regulation laid down in its Annex III a number of minimum inspection requirements and precautionary measures which have to be applied by individual operators and by inspection bodies or authorities. These requirements are however minimum requirements which may and, where necessary, shall be completed at Member State level by other supplementary measures.

As mentioned before, in recent years the market of organic products has grown significantly and has become a market with important intra-community and international flows of goods. This development seems to require an updating of the provisions in Annex III. The Commission has started up works to review the minimum requirements of Annex III as a matter of priority. In this context the Commission has also concluded a contract with an experienced inspection body to identify issues where Annex III could be improved or completed. Moreover, this consultant has been asked to develop a guideline document giving more detailed guidance on inspection practice. This work is currently in early stage; it is provided that during its progress other inspection bodies and the Member States will be consulted.


Short term developments.

With regard to third countries, from several sides criticism has been given on the lack of harmonisation in Member states with regard to the implementation of the provisions of Article 11(6) of the regulation. As a first step towards more harmonisation, the Commission is finalising a draft regulation, introducing one single standardised certificate to accompany any consignments from any third countries. The Commission is also considering further work with regard to harmonising the data to be submitted by the importer. At this moment there are differences in these data requirements with the consequence that importers have to compose their dossier to the requirements of each Member State and that Member States have difficulties to accept each others equivalency decisions. Another issue is the Annex II, part B, where a number of crop protection products have
been included only for a time limit until 31 March 2002. Certain Member States have indicated that for a number of these products there are still no alternatives available and that a prolongation of the time limit is essential. This is in particular the case for a number of copper salts which, since a long tradition of before 1991, have been accepted in organic farming as fungicide in several crops. Authorising the use of chemicals in the production or preparation of organic products is a decision where the balance between consumer expectations, environmental effects and agricultural needs, is to be considered in a careful and critical way.

Similar problems will come up soon in the context of the review of the additives in Annex VI, where the use of certain chemical conservatives, such as certain nitrates, nitrites and sulphites, has been requested for the preparation of certain meat products and fruit wines. It has been argued that without these products it is not possible to produce these products with a conservation period which is sufficiently long to cover a normal period for marketing and consumption of these products.

**Long term developments.**

Before 2005 the import equivalency regime under Article 11(6) of the Regulation should be reviewed. Works on a Commission proposal therefore have to be finalised by the end of 2002/beginning of 2003. In the preparation of such proposal also other provisions in the Regulation could be considered to be updated in order to take into account the major developments which took place in the market of products from organic farming since 1991 when Council Regulation (EEC) n° 2092/91 adopted the basic principles of this legislation.
Mr. Alessandro Triantafyllidis (GR)
From Rio to Region - The case of the Cinque Terre National Park

INTRODUCTION
“Think globally, act locally” this has been the catch slogan of the sustainability movements after and around the Agenda 21. The title From Rio to Region is paraphrase of that concept: from the global indications of sustainable development introduced in Rio, to the local implementation in the National Park of the Cinque Terre, Liguria Region, Italy.

AIAB (Italian Association for Organic Agriculture), the biggest organic association in Italy joining farmers, professionals and consumers, has always considered fundamental the multifunctional aspects of organic agriculture in protecting the environment, the biodiversity and mostly human sustainable development in sensitive and marginal areas. Following this concept AIAB and Parks have co-operated throughout the 90s to spread the philosophy and the practice of organic agriculture in protected areas and in the buffer zones with considerable success.

BACKGROUND: ORGANIC AGRICULTURE & PARKS IN ITALY
An important statement of the multi functionality of organic agriculture in conservation has been established in Vignola, Italy in 1999 where IUCN-IFOAM-AIAB pronounced the Vignola declaration: “organic agriculture puts the concept of multi-functionality into practice, including biodiversity, animal welfare, food safety, market-oriented production, rural development and social and fair aspects”. In that occasion an action plan was set up in order to address the more important aspects related to Organic Agriculture, specifically: economics and agricultural biodiversity, diversity of agro-ecosystems and rural landscapes and genetic diversity.

Table 1. Brief historical review of the activity of AIAB in protected areas in Italy:

1995  • Pollino National Park: “Application of the Organic Agriculture method in the national park”, in cooperation with the University of Potenza
      • Cilento Regional Park: participation to the local Leader II program.
1996  • Regional system of protected areas of Emilia-Romagna: “Organic & Sustainable Agriculture in the regional Parks and Nature Reserves” (3 yrs program).
1997  • Castelli Romani Regional Park: “Parco educa e produce” (Park educates and produces).
1998  • Etna National Park (Sicily): “Bioregione Etna project”, application of the Organic Agriculture method in the national park;
      • Regional Parks of Tuscany: “Development of organic agriculture and livestock in the regional Parks”, Regional Parks of Alpi Apuane, Maremma, Migliarino San Rossore-Massaciuccoli (3 yrs program)..
      • Cinque Terre National Park: “Introduction to organic viticulture in the National Park”, (3 yrs program).
THE MULTIFUNCTIONAL ROLE OF ORGANIC AGRICULTURE

Organic agriculture is widely seen as something more than simply a production process, the multifunctional aspects of organic agriculture is related to its capacity to embrace agricultural systems that promote economically, environmentally and socially sound production. But what does it exactly mean multifunctional? The main roles of organic agriculture are identified as:

- Production of food
- Source of new occupation
- Biodiversity conservation
- Agro-ecosystem diversity
- Eco & Rural tourism development
- Landscape protection
- Soil stability
- Social ethic & equity

The first goal of OA, for the farmers involved, is obviously production. As a consequence of the organic food & farming “boom”, this market represents one of the few segments of the primary sector which has growth rates comparable to other more dynamic economic compartments. This implicates also good work opportunities for the new comers, and probably, more important, a radical change of direction to the chronic depopulation of the countryside.

In rural Europe, biodiversity is mostly secured by the diversity of the agro-ecosystems. Organic farming and good agricultural practice enhances biodiversity through agronomic technics as rotation, the cultivation and recovering of old varieties of fruit & vegetables (as well as cattle), the restoration of diverse habitats like hedges and farm woodlands in order to facilitate the natural presence of pest predators.

Lately, Organic Agriculture is having a great appeal in attracting tourist to marginal areas as well as in protected areas in agri and eco-tourism facilities. Probably this is one of the more interesting functions of organic agriculture in those areas. This sector in Italy is called “agriturismo” and is having an enormous success since the 90’s. Another important service of “agricoltura biologica” is to preserve the soil against erosion and impoverishment through its sustainable practices, and to protect the traditional Landscape thanks to the diverse agro-ecosystems.

Table 2. Organic farming and protected areas

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<th>Parks, are designated for three principal reasons:</th>
<th>Organic agriculture finds its ideal marriage with parks, because:</th>
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<td>- Protect the environment and the landscape;</td>
<td>- Ensures the protection of the environment and the soil through completely sustainable practices</td>
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<tr>
<td>- Enhance and support the sustainable economic activities</td>
<td>- Enhances local agricultural production conferring higher value added</td>
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<tr>
<td>- Ensure the sustainable use of this environment to external visitors.</td>
<td>- Guarantees a certified quality to the consumers and the Park visitors</td>
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<td></td>
<td>- Represents a strong attraction element as well as an important distinction factor of the local territory.</td>
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THE NATIONAL PARK OF THE CINQUE TERRE CASE STUDY

The National Park was created in 1997 to comprise one of the most spectacular and steepest stretches of coastline in North-West Italy: the Cinque Terre. The territory, previously classified as a Park of the Liguria region, comprises five villages facing the open sea along. The villages are connected by pathways among olive groves, small patches of “macchia mediterranea” and vineyards cultivated on stone terraces on vertical slopes.

Due to bureaucracy ties and bonds, it was only by the year 2000 that the Park was implemented into the ground, three years after its designation.

At the end of 19 century the Cinque Terre’s 1.400 hectares of vineyards were perched on 7.000 km of stone terraces: enough to classify the landscape as a major human efforts in modern history. The hard labour of generations of local inhabitants who also managed to shape and manicure the land and create a rich culture of hard-working, generous and earnest people brought the park to be included as one of the World Heritage Sites of UNESCO.

The Park of the Cinque Terre is an appealing example of what the IUCN classifies as category V protected area: the human made landscape, seascape and activities are far its most important conservation goals. It is also a remarkable laboratory for park management in Italy, as the natural resources are for 95% privately owned and very fragmented.

PROBLEMS

The current situation of the landscape is far from ideal. To date, only a little more than 100 hectares are still cultivated and “maintained” by the local inhabitants. This requires keeping the stone walls in good conditions— an effort that can only be carried out by hand. The rest of the landscape is being encroached by the bush and slowly damaged by erosion and landslides. The main current problem is thus land degradation, a phenomenon that has arrived to affect the security and stability of the villages themselves, established upon the sea at the bottom of the steep slopes. Reversing the land degradation trend is the main challenge for the Park Agency. What are the roots of the problem? Among the main ones are village and rural depopulation, wind and sea erosion and the high cost of labour that makes cultivating vineyards in such extreme conditions highly uneconomical. In other words, the maintenance of the landscape cannot be economically sustained without some forms of incentives and subsidies. The new source of income is tourism, certainly a great opportunity but also a threat to conservation. Traffic, overcrowding and a flow of transient visitors may indeed further transform the local culture and priorities and accelerate land degradation. This would deteriorate the very features that made of the Cinque Terre a renowned tourist attraction in the last decades.

As punctual as the thunder after the lightening, the designation of the “Park” territory generated some opposition of part of the local community. This, to tell the truth was much less critical than in the other cases of designation around Italy, as a matter of fact that a local elected official (a major) was one of the key proponent and staunchest supporters of the Park itself. Currently, the challenge is to deal effectively with the
visibility, new opportunities and funding brought about by national and international attention.

**ACTION TOWARDS SUSTAINABILITY**

Among the first steps undertaken by the Park Authority to restore the degraded vineyards is the offering for cultivation of 3,000 square metres plots in leasing (comodato) for 20 years to any world citizen who cares about the Cinque Terre and the sustainable use of its land. Cultivation has to follow the methods of organic agriculture and the Park - in co-operation with AIAB - will provide extension services for the “new farmers”. In order to address this goal, a three year program, funded by the EU (Reg 1257/99), started last year to introduce the techniques of organic viticulture in the Cinque Terre. This first stage of the project included seminars and field demonstration activities on the methods of organic and traditional viticulture open to local farmers, hobbyists and “new farmers”.

How does the “land restoration” program works? Applying a national law (n°440/78) applicable to the uncultivated land (since more than two years), the Park is allowed to “claim” the land from the legal landowners, not willing or able to harvest, and sublease it in plots of 3000 sm for 20 years to other person or farmers that have the capacity to cultivate it. This process involves firstly a leasing contract between the landowners and the park, and secondly a contract between the Park and the “new farmers” that subscribe also a code of good organic agricultural practice. In this process, the landowners does not loose their legal rights over the land, while the cultivation of the set-aside land and soil protection is secured by new farmers.

With the purpose to internalise the principles of sustainability into the day to day economic routine, the Park has developed the brand of the Park with its specific set of standards. Every productive activity within the park boundaries can use the brand, on condition that its standards are fully respected. Almost all business activities are involved: from bed & breakfast & restaurants, to bakeries, building firms and farmers. Some of the standards include, along with others, appropriate waste management and recycling, use of electric transportation for municipal and tourist services, every restaurant, hotel and B&B should offer an organic menu or an organic buffet separated from the conventional one, use of detergents 100% biodegradable, raw material for constructions has to be preferably of local origin or certified (ie wood).

**CONCLUSIONS**

The experience of AIAB in promoting and applying organic agriculture in the case of Cinque Terre National Park as well as in the other National & Regional Parks of Italy, confirms entirely the Vignola declaration and the perfect suitability of organic agriculture in protected areas. Not only as a mean of economic production but also as a mean of environmental improvement, of biodiversity and landscape protection, and also of agri and eco-tourism development.

Parks are an ideal situation to implement the principles of sustainable development, on condition that participation of the local community is reached at the very beginning of the process.
Two of the most significant fruits of the symbiosis between organic agriculture in protected areas are summarised below.

Firstly, organic agriculture movements are helpful, if not decisive, to reach the “sustainability of conservation” in protected areas through collaborative management with the local community. The history of protected areas designation teaches us how difficult it is to have the acceptance and the co-operation of the local communities in implementing the park management. Strict conservation has proven to be “unsustainable” for the rural communities interested in the park designations. Organic agriculture is a means that incorporates the principles of conservation in a production activity.

Secondly, the psychological and moral importance of the conversion to organic agriculture of the farmers (not only in protected areas). The results are increase in self determination, more visibility and sometimes even more appeal in a wider context of the public opinion for a category of workers often unheeded or misunderstood. It is interesting to mention that in six years of experience of organic agriculture in Parks, not a single farmer has receded from the organic practice to the conventional one.

Mr. Bernhard Berger (DE)

Organic Farming and the Common Agricultural Policy - The Environmental Perspective

This article does not necessarily reflect the views of the European Commission or its services.

Check against delivery
Mr. Chairman, Ladies and Gentlemen,

I would like to thank the organisers for the opportunity to speak on this conference - which is of such high importance as it continues the European dialogue on organic farming started in May 1999 in Austria with the conferences on “Organic farming in the European Union - perspectives for the 21st century”.

The interest of the Environment Directorate-General in organic farming is obvious, and has become even clearer in our engagement in co-funding and co-organising, together with the Austrian authorities and the Directorate-General for Agriculture, the conference in 1999. While until recently organic farming was mainly seen under consumer protection aspects - and this is certainly an aspect of even increased importance today - the environmental aspect of organic farming is coming more and more in the forefront. Indeed, organic farming is a farming method with huge benefits for the environment and we have to investigate how we can further foster this farming system, which contributes to improving our environment and protecting our resources. For this reason, it is worth while to highlight here the environmental perspective of organic farming in the context of the Common Agricultural Policy of the European Union. Food safety aspects and research needs are addressed in other sections of this conference and will therefore not be mentioned in this context, where the following points will be treated:

- How does organic farming contribute to the objectives towards a better environment, seen in the light of the current policy initiatives and the existing environmental legislation
- How is the Common Agricultural Policy helping organic farming to be compensated for its positive goods and services for the environment
What can be done to foster organic farming in any future CAP and CMO reforms?

CONTRIBUTION OF ORGANIC FARMING TOWARDS A BETTER ENVIRONMENT

I think you agree with me that the question how organic farming contributes to a better environment has been and will be addressed during this conference by other speakers, presenting detailed research results. Therefore, I would like to limit myself only to list those aspects, which are explicitly covered by policy initiatives and environmental legislation of the Commission and, in particular, the Directorate-General for Environment.

- In Europe, 38% of bird species and 45% of all butterflies are threatened. Also, in North and Western Europe, some 60% of wetlands have been lost. Organic farming contributes, due to its reduced inputs, its high share of grassland within the holdings, but also by using ancient breeds and varieties and by the prohibition of genetically modified crops, to species and habitats preservation. This contributes positively to the objectives of the Community Natura 2000 network, but also results in nature protection outside these areas.

- The coupling of animal production to animal densities/ha - harmonised for the first time on a European level as a guideline in the Regulation on organic farming - including the provision to respect the amount given in the Nitrates Directive for nitrate vulnerable zones of 170 kg/ha, contributes to better water quality. Also the restricted use of artificial fertilisers adds to this objective, while of course careful management of legume crops in the rotation is also necessary on organic farms.

- The general restriction on pesticides use helps to improve water quality, but is also of high importance to halt the loss of biodiversity, as seen not least in the recently published biodiversity action plans for agriculture, fisheries, natural resources and development co-operation. But the organic sector should also maintain its integrity by ensuring that its production is indeed beneficial for the environment. In this respect, application of large amounts of copper fungicides remains an environmental concern.

- The protection of soil is crucial for a sustainable agriculture and issues such as erosion, desertification, but also soil pollution will be addressed by developing a thematic strategy on soil in the European Commission. Management practices broadly used by organic farmers, such as growing catch crops for soil fertility reasons, and a wider and more varied crop rotation, help to protect the soil.

- Organic farming also contributes, by a lower animal density, to reduction of ammonia and nitrogen oxides in air in the frame of the implementation of the UNECE protocol on air pollution.

- Our European landscape is much prized and loved and farming has shaped it. We are beginning to appreciate our land for many functions, going beyond farming to social aspects including tourism. Organic farming delivers valuable contributions to this, although the increase of the organic sector could lead to a stronger competition for land between agriculture and other forms of land use such as forestry and urbanisation, provided that the level of food production will be maintained.
• It is of particular importance that the organic farming sector has been successful in developing common European standards in Council Regulation EEC/2092/91. Such standards play an important role not just in regulating the organic farming sector, but also in providing reassurance to consumers that organic produce is grown in accordance with recognised standards. Whether this could be a model to develop common rules for other farming systems remains to be seen, but it is a good example that common standards can be achieved also for complex issues such as specific farming systems. It would be interesting to see overall comparison, including externalities, between organic farming and other defined production systems.

From these particular cases, and I repeat that I take these just as examples for the positive effects of organic farming on the environment, it already becomes obvious that organic farming contributes clearly to the objectives of environmental policies and legislation of the European Union with regard to agricultural production. I leave it to science to further develop the appropriate indicators and methods to measure and quantify these aspects, but these positive environmental contributions underline our commitment for organic farming.

SUPPORT OF ORGANIC FARMING BY THE COMMON AGRICULTURAL POLICY
Multifunctionality of agriculture includes its services for the environment. These are widely recognized. Agri-environmental measures with respective payments have been notified and so far accepted as green box measures in the WTO. Besides environmental issues, food safety and animal welfare aspects are on the agenda for this WTO round, and the outcome will be of particular importance for organic farming. Different possibilities exist, both national and Community wide, as to how the society could compensates organic farmers for their environmental services. I would like to focus here on the Community possibilities, meaning in principle the Common Agricultural Policy. First of all it has to be kept in mind that the organic sector receives the payments of the Common Agricultural Policy just as conventional agriculture. However, its environmental benefits clearly justify an additional compensation. Therefore, additional opportunities have been created. First we should have a look on the existing tools of the CAP to financially support organic farming, the rural development and the horizontal regulation, then I would like to highlight the horizontal regulation and the situation of accessing countries.

RURAL DEVELOPMENT
The main financial instruments to support organic farming are the measures submitted by Member States in the frame of the Rural Development Plans (Council Regulation EC/1257/1999). This Regulation provides for different opportunities
• Article 22 specifically calls for support for agricultural production methods designed to protect the environment and to maintain the countryside, these are the so-called agri-environmental measures.
• Article 25 calls for investments to facilitate the improvement of processing and marketing of agricultural products, which has particular importance for organic produce
• Article 9 provides for the possible financing of training for qualitative reorientation of the production, which is often used to help farmers to convert.
THEME 4

The agri-environmental measures are by far the most important in this context. In 1998, nearly 75 % of the organic land and 88 % of the organic holdings benefited from agri-environmental schemes, which highlights the importance of this measure for the organic sector. And if we look at the share of land under agri-environment, we see that in Denmark more than 50 % of the land under agri-environment was organically farmed land, in Belgium this was still 40 %, and in the Netherlands and Italy both 20 %, with a Community average of around 6 %.

(Data from the Directorate-General for Agriculture of the European Commission)

In the current programming period, all 15 Member States have included measures in their agri-environmental programmes to support organic farming - both maintenance and/or conversion - in their plans. But also provisions to support marketing and processing of organic produce as well as training on organic farming have been included in these schemes.

Premia for organic farming should be sufficiently high to compensate for all costs incurred and income forgone for the environmental services and can include an incentive of up to 20 %. Compared to the previous programming period under Council Regulation EEC/2078/92, the payments for agri-environment have been increased. The upper ceilings are now between 450 and 900 Euro, according to the crop grown. Good Farming Practice is the reference level, meaning the standard of farming which a reasonable farmer would follow in the region, and the respective codes have been fixed on a regional or national level.

Member State authorities will need to continue to set-up well-funded agri-environmental schemes offering sufficient money to support organic farming in transition and for the longer term, for environmental and particularly biodiversity benefits. This could include the top-up of premia via state aids, if justifiable. However, it has also to be noted that besides organic farming other specific environmental problems remain to be tackled with other, specifically targeted measures, making organic farming an important, if not the most important, but not the only agri-environmental initiative.

It also has to be seen that further development and continued implementation of environmental legislation - to which the Commission has committed itself in the 6th Environmental Action Program - will result in higher environmental standards and consequently also in stricter codes of Good Farming Practice.

HORIZONTAL REGULATION

Besides the direct allocation of money to agri-environment, which would include organic farming, Member States have the opportunity to allocate money to i.a. organic farming indirectly (1) via modulation - meaning reducing annual direct payments given to farmers by a specific percentage - and (2) via cross compliance - meaning linking direct payments to environmental requirements. Both possibilities are laid down in the so-called “horizontal” regulation (EC/1259/1999). In both cases, money can be transferred from the direct payments under specific support schemes, such as for arable crops, beef and veal, and milk and dairy products, to agri-environment and thereby to organic farming.
These opportunities have been taken up by some Member States only. The effects for organic farming are two-fold: Any environmental requirement constituting a condition for direct payments would affect organic farmers less than conventional farmers, and the money saved would go in both cases - modulation and cross-compliance - into one of the accompanying measures. These are early retirement, less favoured area payments, afforestation, and of course agri-environment. Thereby, the organic sector would also profit from this additional funding via the national organic farming measures. Member States should use these already existing opportunities to improve the environment by allocating more funding to agri-environment and organic farming. The Commission has now established detailed rules for Council Regulation EC/1750/1999, with a particular emphasis on the reporting of action taken by Member States, so that the concept of environmental requirements takes root in relation to all supported agriculture.

RURAL DEVELOPMENT IN ACCESSING COUNTRIES
As a last aspect in this context I would like to mention the accessing countries. The Commission supports their rural development via the ‘Special Accession Program for Agriculture and Rural Development’, the co-called SAPARD regulation. Agri-environmental schemes can be financed in those countries as pilot projects, and organic farming has been targeted as such, contributing to preserve environmental assets in these Middle and Eastern European countries, such as valuable habitats for endangered species. This has to be further pursued and intensified, to foster organic farming also in Middle and Eastern Europe. So far, mainly Slovakia and the Czech Republic have a significant organic farming sector with areas above 1%.

(Data from the Directorate-General for Agriculture of the European Commission)

After having looked at the existing tools, I would at the end of my speech like to address the Review and reform of the Common Agricultural Policy

Agenda 2000 will undergo a mid-term review in 2003. In addition, a comprehensive reform of the Common Agricultural Policy has been requested from various sides. It seems worth while to have a look on some ideas, which have been mentioned from different initiatives in this context - not necessarily coming from or reflecting the position of the European Commission. It also seems reasonable to limit this to those aspects, which would influence the organic farming sector. In any case, more compensatory payments for specific environmental services such as provided by organic farming will also improve the acceptance of the Common Agricultural Policy by the public.

RURAL DEVELOPMENT
The first aspect to be mentioned comes from the Rural Development Policy itself. At the moment, about 10 % of the money spent by the Common Agricultural Policy go into Rural Development, meaning around 4 billion €. It would be interesting to reflect on the needs for rural development funding, if we want it - particularly agri-environment and especially organic farming - to deliver an enlarged set of environmental goods and services.
THEME 4
HORIZONTAL REGULATION
There is an immediate need to see the full implementation at Member State level of the environmental protection requirement provisions, which could give a considerable boost to the image and environmental performance of agriculture. The information to be provided by Member States in coming months in this regard will be very valuable.

COMMON MARKET ORGANISATIONS
Reforms of specific market organisations could be seen in the light to remove all provisions resulting in potentially negative environmental effects. Are there any provisions, which hinder the development of organic farming? Proposals in relation to the growing of legumes on set-aside land for organic farmers to feed their livestock, which have been made by the Commission, provide a positive approach to measures of the Common Agricultural Policy and the sector.

FARMING STANDARDS
A reasonable question is whether lessons can be learnt from the success of defining organic farming by the European Union. Can this apply elsewhere to other systems - such as on codes of Good Farming Practices or integrated farming protocols - to the benefit of the environment and consumers?

OTHER IDEAS
Of course many more ideas to reform the Common Agricultural Policy have been tabled from different sides, including the abandonment or a re-nationalisation of the Common Market Organisations. Also attributing specific funding to organic farming by the Community would be an approach. It is clear that the time here is not sufficient to treat these ideas in detail, but their environmental as well as their food security aspects call for careful examination.

CONCLUSIONS
While organic farming should be viable and not totally depend on payments of the Common Agricultural Policy, ensuring sufficient funding leading to a sustainable development of organic farming is one of the main challenges with regard to the Common Agricultural Policy. For sufficient funding, the existing tools need to be used to the widest extent. Future reforms of the Common Agricultural Policy and specific Common Market Organisations should help to further foster environmentally friendly farming systems, such as organic farming. It is time to better highlight the different multifunctional aspects of organic farming, in particular the valuable environmental services it provides for society, and I am sure that this section will contribute to this aim.
Mr. Lukas Pfiffner (CH)

Contributions of Organic Farming to a Sustainable Environment

Keywords: farming systems, sustainability, environmental effects, biodiversity

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INTRODUCTION

Heavy reliance on non-renewable resources, reduced biodiversity, water contamination, chemical residues in food, soil degradation and health risks to farm workers using pesticides all bring into question the sustainability of conventional farming systems (e.g. Mattson et al. 1997).

Organic management practices combine traditional conservation-minded farming methods with modern technologies in order to exclude inputs such as synthetic pesticides and fertilisers. For example, these practices emphasise soil fertility, natural pest control, diverse crop rotations, habitat diversity and self-regulating processes. Organic production systems rely largely on using locally available resources, maintaining ecological balances, and developing biological processes to their optimum (Stolton et al. 2000). The protection of soil and the environment is fundamental to organic farmers. By respecting the natural capacity of plants, animals, and the landscape, organic farming aims to optimise quality in all aspects of agriculture and environment.

Originally, organic farming was a sector of agriculture that developed largely independent of governmental influence. However, since the late 1980s, direct governmental influence has increased and currently every EU-country directly promotes organic farming through various agri-political measures (Lampkin et al. 1999). The most important reasons given for the political support of organic farming are its positive effects on the environment. Of course, this political support is justified, as long as organic farming demonstrates fewer negative environmental effects than its counterpart, conventional farming. Therefore, this paper will discuss in detail the relative positive effects of organic farming in comparison to conventional farming.

For an analysis of the sustainability of farming systems, a common definition of the term “sustainability” is required: Sustainability can be defined as the ability of a system to ‘continue into the future’. This includes the maintenance of soil fertility, yields, the genetic base of crops and animals, water quality, nature conservation, profitability and other socio-economic factors.

Based on the review study ‘The environmental impacts of organic farming in Europe’ of Stolze et al. (2000), this contribution will focus on the question: How far can organic farming contribute to a sustainable environment? Furthermore, some selected environmental issues will be discussed including detailed research results (e.g. Mäder et al. 1996, Pfiffner 2000) in order to expand the resulting qualitative multi-criteria analysis.
THE METHODOLOGICAL APPROACH

The review study (Stolze et al. 2000) was based on a multi-criteria analysis. In order to gather a comprehensive, European-wide base of information, a written survey of experts was conducted in 18 European countries (the 15 EU-countries plus Norway, Switzerland, and the Czech Republic). By means of a structured questionnaire, experts were instructed to provide a summary of their respective national literature on environmental relevance of organic farming. The reviewed literature displayed a multitude of methodological approaches. Although numerous studies were available, the quality, extent and comparability of the information was very diverse. Thus, a quantitative assessment was not appropriate. Instead, a qualitative multi-criteria approach was taken and each step emphasised transparency. A detailed description of the methodological approach can be found in Stolze et al. (2000). The methodological challenges of this review study are characterised by the following aspects:

- Variability within and between farming systems - definition of farming intensity
- A comparison system on a relative scale
- Land area-related or product-related comparison?
- Appropriate selection of indicators - based on the OECD list

RANGE WITHIN AND BETWEEN FARMING SYSTEMS - DEFINITION OF FARMING INTENSITY

The obvious system with which to compare the environmental effects of organic farming is conventional farming. However, the term ‘conventional farming’ encompasses a very broad spectrum: a) farming as typically found in practice, b) integrated farming, and c) expanded integrated farming which includes quality environmental management. Similarly, one can differentiate systems within organic farming: a) organic farming, as it is commonly encountered in practice, b) organic farming by top-quality enterprises using the best possible management practices, and c) the highest level of organic farming which also meets specific agri-environmental measures. It is evident that the result of a comparison between organic and conventional farming depends on the sub-systems chosen for comparison (Table 1).

Table 1: Range and complexity of farming systems

<table>
<thead>
<tr>
<th>Conventional systems</th>
<th>Organic systems</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>C 1 Conventional</td>
<td>O 1 Organic*</td>
<td>Typically found in practice</td>
</tr>
<tr>
<td>C 2 Integrated(<em>/</em>**) (ICM)</td>
<td>O 2 Best organic management*/<em>(</em>)</td>
<td>Using best, up-to-date management practices, within the specific system</td>
</tr>
<tr>
<td>C 3 Best Integrated management (**) plus agri-environmental measures</td>
<td>O 3 Best organic management** plus agri-environmental measures</td>
<td>Plus specific measures decreasing environmental and resource use, e.g. providing exclusive areas for nature</td>
</tr>
</tbody>
</table>

* Inspected farming production
** Inspected farming production including agri-environmental program (e.g. field margins)
This comparison at the farm level needs to include two scales: Range of production intensities and biotope management (Figure 1). For the selected research results which are not easily brought into the outlined structural scheme, we assume that in most cases the systems typically found in practice were compared.

Figure 1: Comparison of farming systems including two scales: Range of production intensity and biotope management

A COMPARISON SYSTEM ON A RELATIVE SCALE
In principle, one could compare different land use systems on an absolute scale according to their fulfilment of certain environmental criteria. This would allow quantification according to the achievement of these criteria. However, such a procedure would require target levels on an absolute scale for all indicators used. There are good economic and scientific reasons why such target levels for each indicator should be strongly differentiated by region. For this reason and in view of the problematic data situation, it was deemed necessary to compare organic with conventional farming on a relative scale.

This scale ascertains whether organic farming ranks much better (++), better (+), equal (0), worse (-), or much worse (—) than conventional farming with regard to specific environmental indicators. The null hypothesis is that no difference exists between the environmental effects of organic and conventional farming. This hypothesis is accepted, if there is clear evidence that no difference between farming systems exists or reliable information for this is not available. Only if the reviewed literature unequivocally verifies a difference between organic and conventional systems is it stated as such.

LAND AREA-RELATED OR PRODUCT-RELATED COMPARISON?
The majority of reviewed comparative studies relate the environmental effects of organic farming to land area, while relatively few studies have attempted to compare the environmental effects per unit of produced output. Therefore, a comparison of environmental effects will be carried out per hectare of land area. When relating environmental effects of different farming systems to the land area, it can lead to other conclusions.
than if one relates these environmental effects to the unit of produced output. This has agri-political implications which will be further discussed elsewhere.

SELECTION OF INDICATORS BASED ON THE OECD LIST
The assessment is based on the OECD indicator system (1997). In several places simplifications and - where it seemed appropriate - modifications have been made. The following indicator categories were differentiated accordingly: Biodiversity & Landscape, Soil, Ground and Surface Water, Climate and Air, as well as Farm Input and Output (Table 2). These categories are specified in detail using additional indicators. The previously mentioned literature review was conducted at the indicator level and the results from these assessments at the indicator level were then aggregated to an overall assessment of each indicator category.

COMPARISON OF DIFFERENT FARMING SYSTEMS - IMPACT OF ORGANIC FARMING ON KEY ENVIRONMENTAL INDICATORS
In Table 2, the results of the comparison of organic and conventional farming systems are shown in a summarised form. This portrayal not only takes into account the authors' assessment of the indicators, but also specifies the subjective confidence interval. This again reminds the reader that the subject area is hampered by the shortage of precise information. The subjective confidence interval indicates - based on the literature reviewed - the deviation from the final results.

BIODIVERSITY AND LANDSCAPE
Generally, agriculture can contribute significantly to the conservation and enhancement of biological and habitat diversity within an ecosystem. Impacts on wildlife depend on farming intensity, land use, semi-natural habitats, field margins, and buffer zones. There is also a large variety of agricultural landscapes, ranging from small-scale hedged landscapes to the large-scale open landscapes of intensive arable production. Since farmers manage the majority of the land area, their management has a significant impact on flora, fauna, and the environment. For example, semi-natural habitats and field margins have been shown to be important refuges for many plants and animals and thus play a key role in maintaining biological diversity on farmland (e.g. Pfiffner & Luka 2000). Biodiversity may be of particular importance for enhancing the levels of beneficial organisms and other nature conservation aspects of organic farms (Altieri 1995). In fact, linking organic farming activities to the enhancement and conservation of biodiversity on agricultural land can provide a very valuable, positive model for agriculture as a whole. Positive interactions between farming and biodiversity are often related to well-adapted traditional and low input (e.g. organic) farming systems. Negative impacts are often related to an intensification and local concentration of agricultural production. Intensive agriculture and excessive use of agrochemicals has resulted in a significant decrease in wildlife in agricultural land (e.g. Sotherton 1998).

The main findings of the review study of Stolze et al. (2000) show that organic farming clearly performs better than conventional farming with respect to floral and faunal diversity. Due to the ban of synthetic pesticides and N-fertilisers, organic farms provide
potentials which result in positive effects on wildlife and landscape conservation. At the farm level, organic farming can lead to a higher habitat diversity by providing a wide range of habitat niches, breeding possibilities and a better food supply. Indeed, a review of 44 research studies effects of farming systems on beneficial invertebrates and birds clearly shows a better performance of the organic farming system (Tab. 3). Furthermore, the diversity of cultivated species is higher on organic farms than on conventional ones.

Table 2: Assessment of organic farming's impact on the environment compared to conventional farming base on a multi-criteria analysis

<table>
<thead>
<tr>
<th>INDICATORS</th>
<th>++</th>
<th>+</th>
<th>o</th>
<th>-</th>
<th>- -</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECOSYSTEM</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floral diversity</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faunal diversity</td>
<td>X</td>
<td></td>
<td>o</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Habitat diversity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Landscape</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>SOIL</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soil organic matter</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biological activity</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Structure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Erosion</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GROUND AND SURFACE WATER</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nitrate leaching</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pesticides</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLIMATE AND AIR</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO2</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N2O</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CH₄</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NH₃</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Pesticides</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FARM INPUT AND OUTPUT</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nutrient use</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water use</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy use</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Legend: Organic farming performs: ++ much better, + better, o the same, - worse, - - much worse than conventional farming; if no data was available rating was “o the same”

Subjective confidence interval of the final assessment marked with X

1) the assessment is difficult due to lack of data.

Source: Stolze et al. (2000), modified
Wildlife conservation often requires areas of wild nature (e.g. areas without any landuse). Although organic farming as any form of agriculture cannot directly contribute to the majority of specific wildlife conservation goals, it is currently the least detrimental farming system with respect to these issues.

Table 3: Effects of organic and conventional farming on fauna - a review of 44 investigation world wide

<table>
<thead>
<tr>
<th>Animal group</th>
<th>Abundance - number of individuals</th>
<th>Species diversity - number of species</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ORG &gt; CON</td>
<td>ORG = Con</td>
</tr>
<tr>
<td>Earthworms</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>Carabids</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>Spider</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Birds</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Diplopods</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Bugs</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Mites</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>5</td>
</tr>
</tbody>
</table>

ORG > CON: better performance in organic farming
ORG = Con: No significant difference
ORG < CON: better performance in conventional farming
Source: Pfiffner 2000 mod.

SOIL

Soil is one of the most important natural resources for agriculture. The maintenance and enhancement of soil fertility is a central objective of organic farming, especially since many indirect regulation factors for crop management rely on well functioning soil-plant interrelationship. The impact of organic farming on soil properties has been well covered by research in most relevant aspects; only data about soil erosion are somewhat scarce.

Results show that organic farming tends to conserve soil fertility better than conventional systems, as revealed by higher diversity and occurrence of soil biota and a higher energy efficiency of soil microbial populations (Table 4). Organically managed soils usually have higher organic matter content and significantly higher biological activity. As far as soil structure is concerned, most studies found no clear difference between the farming systems. Furthermore, many typical measures of organic farming practise have a high erosion control potential (Siegrist et al. 1998). However, organic farming’s soil conserving performance or potential is highly site dependant.
Table 4: Effects of different farming systems on soil biota after 14 years of farming in the DOC-long-term trial, Switzerland. Relative results to integrated farming with FYM (=100%)

<table>
<thead>
<tr>
<th></th>
<th>Bio-dynamic</th>
<th>Organic</th>
<th>Integrated-FYM¹</th>
<th>Integrated-M²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biomass (SIR)</td>
<td>136</td>
<td>119</td>
<td>100</td>
<td>81</td>
</tr>
<tr>
<td>Soil-Respiration</td>
<td>110</td>
<td>102</td>
<td>100</td>
<td>93</td>
</tr>
<tr>
<td>Dehydrogenase</td>
<td>181</td>
<td>144</td>
<td>100</td>
<td>78</td>
</tr>
<tr>
<td>Protease</td>
<td>170</td>
<td>129</td>
<td>100</td>
<td>79</td>
</tr>
<tr>
<td>Alcaline phosphatase</td>
<td>303</td>
<td>183</td>
<td>100</td>
<td>78</td>
</tr>
<tr>
<td>Sacharase</td>
<td>145</td>
<td>125</td>
<td>100</td>
<td>94</td>
</tr>
<tr>
<td>Mycorrhiza</td>
<td>139</td>
<td>130</td>
<td>100</td>
<td>95</td>
</tr>
<tr>
<td>Earthworm biomass</td>
<td>149</td>
<td>166</td>
<td>100</td>
<td>79</td>
</tr>
</tbody>
</table>

¹ Integrated farming with farmyard manure  ² Integrated farming with only mineral fertilizers  

Source: Mäder et al. 1996.

GROUND AND SURFACE WATER
The investigations reviewed indicate that organic farming results in lower or similar nitrate leaching rates than integrated or conventional agriculture. Farm comparison trials showed leaching rates up to 50% lower on organic fields in the late eighties (Verejken 1990). Although today the differences are much lower due to improved nitrogen management on conventional farms, an average of 20% lower leaching rates on organic farms in comparison to integrated farms with an improved N-fertiliser management is observed (Piorr and Werner 1998). Critical cases of nitrate leaching on organic farms are ploughing of legumes at the wrong time followed by the choice of an unfavourable crop, or composting of farmyard manure on very permeable soils. There are alternatives which have been developed and introduced into practice.

Another very relevant aspect is the fact that organic farming does not pose any risk to ground or surface water pollution from synthetic pesticides. Although incorrect organic farm practices could bear some potential risk for polluting ground and surface water, the detrimental environmental effects from organic farming tend to be lower than those from conventional farming systems. Hence organic farming is the preferred agricultural system for water reclamation areas.

CLIMATE AND AIR
The climatic change is globally recognised as one of the most relevant environmental problems. To assess farming systems with respect to climate and air, relevant greenhouse gases (CO₂, N₂O and CH₄), NH₃ emissions and air contamination due to pesticides are selected as indicators. Research on CO₂ emissions show varying results: On a per-hectare basis, CO₂ emissions are 40-60% lower in organic systems, whereas on a per-unit output scale, the CO₂ emission tend to be higher in organic systems. Quantitative results on N₂O and CH₄ comparing different farming systems are scarce. Experts estimate that organic farming have a lower N₂O and CH₄ emission potential on a per
THEME 4

hectare scale and higher on a per unit output scale. Calculations of NH3 emissions show evidence that organic farming has a lower emission potential. Due to the ban of synthetic pesticides in organic farming, significantly lower air contamination from pesticides is ensured than in conventional farming.

FARM INPUT AND OUTPUT
The efficient use of natural resources is the prerequisite for a sustainable and environmentally sensitive agriculture. On-farm balances of nutrients, water and energy were taken into account in order to assess farming systems. Studies show that nutrient balances of organic farms are generally close to zero. In all published calculations, the nitrogen, phosphorous and potassium surpluses on organic farms were significantly lower than on conventional ones. Most of the research indicates that energy consumption is lower on organic farms for annual as well as for perennial crops. Unfortunately, no research results on water use on organic and conventional farms are available.

SUMMARY AND CONCLUSIONS
• For each indicator organic farming is ranked at least equal to conventional farming, while in the majority of environmental indicators organic farming performs better or much better. In two cases, the subjective confidence interval could allow conventional farming to appear as the preferable system (partly due to the lack of evident data). However, when considering the aggregation level of the indicator categories, the analysis becomes more uniform. With the exception of climate and air, organic farming performs better than conventional farming in all categories. None of the indicator categories showed that organic farming performed worse.

• A summary assessment of all indicator categories was not carried out in the table, however, the result is clear: organic farming is, in an area-related comparison, more environmentally friendly than conventional farming. This result confirms one of the basic assumptions of the political support for organic farming, as mentioned in the introduction.

• On the one hand, the environmental performance of farms depends on the farming intensity, while on the other hand it depends on bio-tope management of non-productive areas.

• The combination of organic farming with the conservation of semi-natural habitats and valuable field margins offers a real option to meet many environmental goals, especially biodiversity, on agricultural land.

ACKNOWLEDGEMENTS
The research study Stolze et al. 2000 has been carried out with financial support from the Commission of the European Communities, Agriculture and Fisheries (FAIR) specific RTD programme, Fair3-CT96-1794, “Effects of the CAP-reform and possible further development on organic farming in the EU”. This paper relies mainly on the above mentioned study titled “The environmental impacts of organic farming in Europe” and
is one of the technical deliverables of this project. It does not necessarily reflect the Commission’s views and in no way anticipates its future policy in this area.

REFERENCES


SUMMARY
The European Environment Bureau (EEB) supports organic agriculture because of the obvious benefits for biodiversity and the environment on and around the farm. There is overwhelming evidence of positive effects on soil biodiversity and insect life. Generally the emissions and leaching of nutrients and energy use are lower. There are, of course, no emissions of chemical pesticides at all.
The EEB’s main message to the conference is that organic farming should be better linked to the EU’s common agricultural policy (CAP). For instance, organic farmers should benefit as much as possible from agri-environment payments. Furthermore, strict environmental conditions to EU-subsidies should be set. This will not only make conventional farming cleaner, it will also give a competitive edge for environmental forerunners, including organic farmers. The EEB also suggests all parties involved, rather than being complacent, to take a pro-active stance on environmental and animal welfare improvements in organic farming. Organic agriculture could perform even better than it does today.

1. INTRODUCTION
Most environmental organisations, especially those working on EU level, are not deeply involved in organic agriculture. Instead, they focus much of their energy on improving conventional farming. After all, this is where most of the damage is done and can be prevented; this is where most of the policy instruments and funding are aimed at. But let it be clear that environmental organisations favour organic agriculture, because of the obvious benefits for biodiversity and the environment on around the farm. There is overwhelming evidence of positive effects on soil biodiversity. Usually the emissions of nutrients are lower, and energy use for agricultural productions is usually also lower. However, I do recommend the organic sector takes a pro-active stance, rather than being complacent about environmental and animal welfare standards. Organic agriculture could perform even better than it does today.

In this presentation I would like to first look at the wider environmental wider picture of organic farming from EU policy level. Then I will link the environmental impact to the European Union’s Common Agriculture Policy (CAP). I will end with a short set of recommendations.

2. BROADER SUSTAINABILITY
As I said, we are very much in favour of organic farming. Many presentations at this conference prove that its environmental performance is superior to that of conventional farming. However, a number of issues are not fully addressed by organic farming. Sometimes these issues arise in recommendations, sometimes formally in national labels/standards, and some are upcoming from IFOAM in draft standards in the next few years.
Natural biotopes, species and landscape
Many organic farmers will take good care of natural biotopes and species on their farm, because they feel it is right, but also because the farm system benefits (predators, antagonists). However, they don’t have to. In many countries there is no formal requirement to maintain natural habitats and landscape features or take special measures for species. When organic farming grows further, there may be more farmers who shift to organic purely for economic reasons, with no eye for nature.
In my country there are large organic farms, which look the same as conventional farms. They cause much less pollution, they will support more insect life, but they do not contribute much to wildlife preservation.
Message: organic farming is always better for soil-biodiversity, often better for nature surrounding the farm, often better for landscape. But conventional farms participating in special agri-environment schemes will often score higher on nature conservation and landscape than an average organic farm. There is therefore some danger in sweeping statements that organic farming will always produce better nature or landscape.

Energy and greenhouse gas emissions
Organic farming uses much less energy per hectare than conventional farms (per tonne product the difference is, of course, smaller). The input of fuels is generally somewhat higher due to mechanical weeding (sometimes even burning of weeds and potato-stems). However, this is more than compensated by the fact that no fertilisers and pesticides are used, the production of which costs large amounts of energy.
In protected cropping (glasshouses), the difference is less marked; per unit of production energy use is even higher in organic greenhouses. There currently are no international standards for organic greenhouse production, although there are moves towards such standards in the UK and the Netherlands.

Transport
A forgotten element in the calculation of energy use is transport. Transport of raw materials and farm produce causes large environmental impacts. This is true for both organic and conventional farming. Our aim is to close cycles, i.e. to bring inputs, production and consumption closer together. With organic farming professionalising and participating more in international trade, this will become more difficult. Already now, farm produce is increasingly exported. Hungary exports 90% of its organic production. The Netherlands sells 70% of its vegetable production elsewhere in Europe. Consumers can buy apples from Argentina, Israel, South Africa. It is clear that the net environmental gain of such a purchase is negative. Organic products transported by air should not be promoted as “green”.
Message: it’s better to buy organic, but it is even better to buy organic from nearby.

Water use
Organic farmers will usually be modest in using water. Irrigation may also be less necessary, as the plants are deeply rooted. But a vegetable farmer in central Spain converting to organic production still has a big negative impact on the environment if he continues to grow water-dependent crops, using up limited resources of groundwater.

Animal welfare
Animals on organic farms have a much better life than those on conventional farms. It
is all the more regretful that once they leave the farm, they are in some countries still treated the same as “regular” farm animals. They suffer the same stress, the same transport, the same treatment in slaughterhouses.

Dealing with the environmental impact. 
It is clear that the image of organic farming being green should be supported and further developed. Therefore, it is important to further reduce the environmental and animal welfare impacts. A few suggestions:
- Organic standards should take up some of these issues, either compulsory or as guidelines. Energy use and waste production in greenhouse horticulture are clear examples of where new standards are needed.
- Sustainable water use is generally dependent on the regional situation. Therefore, it should be subject to regional or national environmental and planning law. Regional governments and national organic standards can prescribe of stimulate certain types of crops in certain regions. The CAP should also address this issue.
- Transport: on the input side (fodder and manure) there must be (even) more emphasis on regionalisation. On the produce side this is also true, but that will be difficult. In the end it is more desirable to increase exports of organic than of conventional products. But PR should be honest in the message, not claiming great environmental benefits for product transported by plane.
- The animal welfare issue related to transport of live animals can effectively be addressed by further regionalisation. The EU should set a ceiling at 4 hours or 300 kilometres of transport of live animals. This will also benefit the local economy and prevent spread of animal diseases. IFOAM could consider setting further standards for organic slaughterhouses and animal transport.
- Landscape and nature. IFOAM has set recommendations for landscape and nature management. It is recommended that some of these become compulsory. On the other hand, standards should not be to restrictive, and organic farmers should not be expected to produce for free what their conventional competitors are paid for. Therefore, it is important that such activities are shaped so that they can be compensated under agri-environment measures.

The very last point leads me to jump to a new issue: the EU’s Common Agriculture Policy (CAP)

3. THE LINK TO THE CAP

Agri-environment schemes
Under the current CAP, organic farmers enjoy the same benefits as conventional ones, in the sense that they receive income support and price support (however, income support is often linked to production, so organic farmers often get relatively less support. Price support has little impact, as organic prices are higher than the market minimum anyway). In addition, all member states have systems in place for agri-environmental measures, for instance support schemes for nature management on the farm. Both conventional and organic farmers can benefit from this.

Therefore, it is wise not to make all kinds of nature and landscape management measures compulsory for organic farmers via organic standards. If that were the case, or-
ganic farmers would provide “green services” for free, while conventional farmers would get paid for providing them. Instead, on regional, national and European level the organic farmers' movement should closely follow the development of agri-environment schemes, so that these schemes fit well within organic farming systems. Thus, organic farmers can get compensated for something they probably want to do anyway.

An example. If there is a subsidy-scheme for maintenance of, or even re-installing, field boundaries such as hedges, organic farmers should be the first to profit from such schemes because they want the hedges to be there anyway.

Good agricultural practice
Currently, and more so in the future, agricultural subsidies are linked to a benchmark called Good Agricultural Practice, GAP. So far, farmers get their income and price support with no strings attached (except, in some countries, the rule that they stay within the law). Agri-environment schemes only apply above GAP, so farmers have to do more than applying good practice in order to get extra support. With future reforms of the agriculture policy, it can be expected that GAP takes on more importance, eventually becoming the benchmark for all income support (which is necessary to make the EU's farm support acceptable for trade partners in the WTO).

Some elements of GAP are good management of nutrients, pesticides, soil and water. An indication of the level of GAP we (environmentalists) would like to attain is integrated farming. For an organic farmer it should be very easy to comply with GAP standards; it can be assumed (s)he should not have to take any extra measures to reach that level. So clearly, the higher the level of GAP, the more advantageous it is for organic farmers (who do not have to take extra steps, while their conventional competitors do) and for the environment.

4. RECOMMENDATIONS
- Despite all ecological advantages, there is some risk in complacency. Organic farming can still perform better. In judging the net environmental impact, the whole lifecycle of a product must be taken into account.

- IFOAM, EU and government standards should include some elements of wider sustainability (energy, waste, possibly water use) into the organic standards.

- Member states and the EU should establish stricter environmental legislation where the environment clearly suffers from conventional farming. It will level the playing field with organic.

- In order to stimulate local economies and to reduce animal suffering, spread of diseases and environmental impact, Member States and EU should restrict live animal transport to 4 hours or 300 km, increase transport prices and stimulate regionalisation of production and processing via rural development measures.

- The organic sector should aim for better landscape protection and nature management on organic farms, by adding some -but not too many- compulsory standards (now being developed in draft by IFOAM). It is important that the movement ensures
THEME 5

that agri-environment schemes fit the organic farming system, so that organic farmers are compensated.

- The EU-member states (guided by the EC) should set ambitious levels for GAP. Both the environmental and the organic movement should help ensure this happens.

- We, European environmental organisations will push for high standards of GAP and more prominence of agri-environment programmes in EU agriculture policy and funding. On national level environmental organisations can also promote organic farming.

Ms. Sally Bagenal (GB)

Barriers and Opportunities for the Development of the Organic Milk Market.

AN EXPLANATION TO THE BARRIERS

Before WW2 it was common practice in towns and for those living in the country to keep a pig. This pig would be kept in back gardens and fed scraps from the kitchen. Once a year the pig would be slaughtered, usually in view of the family. A fairly gruesome experience many would think now, but of course it was a connection with the animal world and with the food eaten. How many people now would be able to wring a chickens neck without recoiling - Queen Elizabeth II can, she was caught on camera and certainly my mother. But regrettably, not me, even though I am a farmer!

We belong to the generations who have become disconnected to the land. It is unbelievable with increasing access to knowledge that many do not understand the connection between the birth of calves and the production of milk, or that cows can give milk and not have to be killed! This is true.

Because there is so little connection to the land the supermarkets have become our link to food and are thought, according to our focus groups, to be our guardians of food safety and they have the power to influence our taste, our rural economy and our whole ecology. One wonders if they are aware of their responsibility.

The problem with the supermarkets having this sort of responsibility is that they are there for the sole purpose of making money. They have shareholders who constantly bay for higher profits. If they make less profit one year they are heralded as being in trouble, in decline. Note Marks & Spencers who still make 500m pounds sterling, but have fallen from the 1 billion formerly made.

To maintain profitability they have to apparently be competitive: the media demand to know why Asda can sell milk at 20pence per litre when Tesco's charge 22 pence per litre.

Around 40 items are placed in the KVI (Key Value Items) basket and these products must have a retail price similar to their competitors. Do consumers really drive or walk to the other side of town to save 2p on a litre of milk?

So supermarkets really prefer added value goods. They would rather sell a Tagliatelle Carbonare ready meal for 3 pounds sterling, than the base ingredients to make it. It has
a better return per centimetre of shelf space and brands can disguise price. But although we spend much less as a percentage of our income on food that we used to, food must be even cheaper! So suppliers selling raw ingredients must be driven down on price if they are to remain competitive - or the supermarkets will have to buy from a country where they have cheaper labour costs or have a system that is more subsidised.

When the buzzword became organic the supermarkets chased all over the world to put organic products on their shelves. Regrettably for organic farmers some of these products have been substandard and the boom that was heralded as a saviour for agriculture has turned somewhat sour as consumers, not understanding, or not being interested in the multifaceted benefits of organic farming have slowed demand. In turn this has been seen a triumph by the pro pesticide lobby, who can now tell farmers that organic farming is not the answer. The consumer doesn’t want it. It was just a passing fad.

But there are Opportunities and we must work to change the culture. We must have a strong supplier base working not only together in the UK but also with our counterparts in Europe on building the market. Our first meeting of the Alliance of European organic milk producers was held in Aarhus, Denmark in January and gave us all understanding of the position of others. Only when we can work together can we be able to look to the future with certainty.

With strength comes responsibility and is very important that we try to break the cycle of supply and demand forming the basis of price negotiation - idealistic as it may sound. In the UK we have been in undersupply for over five years but we took the decision that we must not abuse our position and have achieved a good price but not the top price. The Organic Milk Suppliers Cooperative has formed a close, although not exclusive, relationship with Sainsburys Supermarket who has given price and volume guarantees over a five-year period. We are heavily featured on their private label packaging and Sainsbury’s have used this agreement as a flagship to rebuilding their relationships with suppliers in other sectors. It has cost them little but gained them much.

For at a time when it is possible that in the UK the dominance of the supermarket is perhaps on the wane, when there are frequent allegations of too much control and investigations into bullyboy tactics. Perhaps to move forward supermarkets must be seen to actively support the community that feeds them.

Whilst we are aware that the consumer is far away from us, somewhere in front of the back wall of the supermarket, we must reach across and make a pact with them. They require that we do the best for them, they must trust that we will provide food that is wholesome and will enhance their health. In return we need to engage them in the debate about the role of food.

It has long been the aim of the organic movement, in particular the Soil Association that agriculture becomes part of the UK’s National Health scheme. The formation of a new department for rural affairs in the UK will bring us hopefully nearer to a serious debate and that this will be followed by full Government support through advertising.
Mr. Roberto Pinton (IT)

Some Notes about Organic Market

In the Ifoam Organic trade conference in Wien, 1991, Bernward Geier showed a slide promising “in 2000 20% of food market will be organic.

Many attendants jumped on their seats (and I was among them): the sentence seemed a slogan rather than a realistic target: it sounded well but not right. We are in 2001, and 20% of food market is not organic.

But if in Copenhagen a slide will shows “organics will be 25% of the whole food market in 2005 or in 2010”, I shall stay sitting.

Let this be quite clear: I am not sure we shall come to this objective, but all of us have a hunch that we should manage.

Organic food is no longer baby, is a promising teenager. Nevertheless...

In the most part of Europe development of organic market is due to supermarkets. In Italy, even if still sometimes buyers find organic farmers odd fellows, in 1999 the number of supermarkets with an organic corner exceeded the number of specialised organic shops, and in 2000 they win for market share.

The growth of supermarkets is a natural evolution, follows (and generates) the growth of the market.
Food retail sales in Italy in 2000 by category (Source: ISTAT, Zanoli & Pinton 2001)

<table>
<thead>
<tr>
<th>Categories</th>
<th>Conventional</th>
<th>Organic</th>
<th>Value Organic (Millions ITL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bread &amp; cereals</td>
<td>16.3%</td>
<td>39.5%</td>
<td>804,966</td>
</tr>
<tr>
<td>Meat</td>
<td>23.2%</td>
<td>2.0%</td>
<td>40,758</td>
</tr>
<tr>
<td>Fish</td>
<td>6.6%</td>
<td>0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Dairy products &amp; eggs</td>
<td>13.6%</td>
<td>16.9%</td>
<td>344,403</td>
</tr>
<tr>
<td>Fruit</td>
<td>6.4%</td>
<td>8.0%</td>
<td>163,031</td>
</tr>
<tr>
<td>Vegetables</td>
<td>10.9%</td>
<td>19.0%</td>
<td>387,199</td>
</tr>
<tr>
<td>Oils &amp; fats</td>
<td>5.2%</td>
<td>4.0%</td>
<td>81,516</td>
</tr>
<tr>
<td>Alcoholic beverages</td>
<td>4.9%</td>
<td>0.5%</td>
<td>10,189</td>
</tr>
<tr>
<td>Non-alcoholic beverages incl. Juices</td>
<td>4.8%</td>
<td>3.0%</td>
<td>61,137</td>
</tr>
<tr>
<td>Other</td>
<td>8.2%</td>
<td>7.1%</td>
<td>144,690</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0%</td>
<td>100.0%</td>
<td>2,037,888</td>
</tr>
</tbody>
</table>

Specialised organic shops are a cocktail made of modern outlets and new age dens. Some owners are excellent entrepreneur, some others are likeable comrades which do not like to ear words like business.

LET BIG COMPANIES GO ORGANIC

One of the questions in the introduction is “Does the emerging mass market compromise the integrity of organic standards and principles?”. In a sociological approach, we can translate into “Are we an industry or a movement?” As a consumer and a market man I like better an industry (with an organic soul) rather than a movement without a business mind.

Aiab asked me to collaborate with a member which is the Italian branch of a multinational food giant, supervising its new organic business.

The new organic line is made (for the time) by only one product. For the launch of this only product, the company has a budget of 1 billion lire (about 500,000 Euro), to be spent in advertising, TV commercial, sampling corner in some hundreds of supermarkets, press conferences etc.

Nobody in Italy has spent such a remarkable sum in advertising and in store promotion for an organic product.

The trouble for the company is not the budget. The trouble is not to be allowed to say to consumers the new mozzarella tastes better than the other ones (as we have a good budget, we have organised several panel and sensorial tests with trained tasters and the result of liking is the best in many decades of activity of the company in Italy).
Another trouble is not to be allowed to say that nutritional values are better than the average of Italian non organic similar products.

If the new mozzarella was not organic, company was allowed to explain to consumers its higher quality, but as it is organic, it has to be silent. It is a strange way to help ecologically-sound production...

(To tell the truth, troubles don’t descend only from Regulation 2092/91, which forbids the comparison of organic and non organic products, but even from the uneasiness to say all other non organic products in the brand are less tasty and nutritious, but it is a different matter).

The approach to this new product is a typical large company’s approach, but even historic organic companies would have had a similar one, if they should have enough budget and a similar business team, because it is the right way to launch an organic product we want turn into an organic mass product.

The difference is that if the new mozzarella won’t be successful, our multinational company won’t suffer so much, as it represent a very small quota of its whole business.

The company sells to every supermarket chain in Italy, but (for the most part) historic organic dairy aren’t worried, as the whole organic sector will benefit by this striking campaign.

CONSUMERS
A recent unpublished survey by ISMEA-NielsenCRA, supervised by Zanoli, using their Telematic Panel of 3,500 households, has given a picture of the market size. 29% of consumers declare to buy at least occasionally (less then once per week) 1 or more organic products. 5,6% declare to buy in 3 out of 5 convenience product categories (cereals, fruit, vegetables, milk and dairy products, meat) at least once per week. Of these, only some are correctly informed on the definition of organic products. This gives a percentage of regular and well informed self-declaring consumers of organic products of 1,3%.

Indeed, one of the major obstacles to increase in demand of organic products in Italy is the consumer lack of information and confusion. In the above mentioned survey, using a 7-item scale of consumer information, only 15% of respondents are classified as “highly informed”. 54 percent of consumers have a very low level of information, and confuse organic products with “natural”, “low-input” or even “wholemeal” and “macrobiotic” products. Among these, almost 15% believe that organic products are only produced in Italy and almost all the remaining part simply does not know if imported products could be labelled as “organic”.
The development of organic farming in Italy (source: 1985-1992 estimates from various authors; 1993-1999 GRAB-IT & FIAO)

HOW MANY ORGANIC FARMS? (ORGANIC FARMS?)
Another good question. We have about 125,000 organic farms all over Europe. But, as we can ask ourselves if 7,000,000 of non organic farms is a right number, let’s ask even if 125,000 organic farms are organic business too.
There is no doubt they are organically managed, and it is a good thing for the environment. But are they selling their production as organic for the market? And are all of them interested in selling their production as organic?
Aiab, the largest organic association in Italy, in 2000 had 13,607 farms in its control system, but only about 3,000 asked for certification of their production. So we can think in Italy there are about 55,000 organic farms, but only about 10,000 sell organic products as organic.

For the most part Italian farms:
are still in the conversion period and are waiting to be allowed to sale their produces as organic;
do not care about product certification, because they are already satisfied with the subsidies (they don’t grow organic crops, they grow organic aids);
sale their (small) organic production via a close circuit, where personal interrelationship matter more than certification labels.
The environment thanks, but we have to be careful to avoid mistakes in choosing strategies and actions.
An example: at the end of 1999 51.4% of Italian organic cultivated area was pasture lands and fodder crops.

Half of these 499,000 hectares was in Sardinia, but while all over Italy we had 468 dairies (60% in northern Italy), in the isle there were only 8 dairies.
So, about 20% of Sardinia agricultural land is organic, it sounds well but it is not useful for the organic market. On the other side we have to consider that processing and trade companies (excluded from aids) in 1995 were 492, but in 1999 1894, with a growth of + 285%, inferior to 361% of the farms in the same period, but all the same significant and witness of a rising demand.

The fact is that, even if official data report 55,000 farms, Italian organic is a business of 10,000 farms and processing & trade companies, and of 1,000 organic shops and 1,500 supermarkets.

WALKING ON THE FARM-SIDE
Not all the farms sell to supermarkets or shops. Sometimes there is not critical mass, sometimes there is no economic potential, sometimes it is a matter of feeling. Quite often co-operatives are heavy structures, concentrated on hardware (warehouses, trucks) rather than on software (marketing ideas in b2b and b2c).

We have to take care of avoid a future in which organic soul is exclusiveness of organic shops or farm gate sales and organic business is exclusiveness of supermarkets.

Organics are special goods, but are goods, and we have to set them in the right market position, which is not a single one. Some farms will have to organise themselves together to obtain saving, and strength in the market, but the dimension of others will be direct sales or box schemes. Laws would consider that consumers want to save time and have easy shopping: if a farm can sell only its produce (as in same European countries, like Italy), it is not desirable for consumers, forced to go shopping somewhere else. Laws have to let farms to integrate their production with products coming from next farms, allowing a wider and more interesting range (developing a local economy and organic counter-trade), considering this sale as an agricultural activity and not a commercial business.

BEHAVIOUR OF ORGANIC FARMERS
In the second half of 1999 Santucci run a survey about marketing behaviour of organic farmers:

“In Northern and Central, Italy, the first organic farmers used several marketing channels and tried to establish, as much as possible, direct links with the consumers, or with a limited number of specialised organic shops. In Southern Italy, where local consumption was not enough to absorb the whole production, the early adopters of organic farming had also to look for markets far away, through marketing co-operatives and wholesalers. The recent entry of several supermarkets chains into the organic market has been another challenge/opportunity for the farmers, and mainly in Northern Italy contract farming and organic farmers’ marketing associations are developing quite fast. But the main sale channel remains the wholesalers, whereas direct sale to consumers or other shorter ways remain explored only by few producers.
69% of the interviewed persons affirm that the local market is the main market for their organic output. Foreign markets are still unexplored by the individual farmers: only a handful of them is able to export directly, without intermediaries. Farmers show a very old fashioned approach to marketing, with 74% declaring that they do not rely in any source of advice. A very few (1.5%) rely upon the advice of private consultants and the almost total absence of public advisors, in organic farming, as denounced in previous publications is confirmed again by this survey. Geographical area covered by the marketing of most interviewed farmers is small: the most important form of promotion is represented by the participation in the annual local fair, followed by the local weekly markets. This behaviour has been studied in other Countries and in Italy and may represent an important source of income for the smaller and newer producers.

A relatively thick minority (20%) takes part in group participation in annual national fairs. These activities are normally organised by the Organic Farmers Associations and/or by local Authorities for the Development of Agriculture. A smaller percentage (7.2%) of organic producers also take part, again as a group, in foreign fairs, therefore projecting their products into export markets. Unfortunately, this small but vigorous group of active organic producers is accompanied by a big number of people who are just entering into organic farming and who seem quite poorly aware about their whereabouts. 55% ignore the existence of the major organic fair in Italy, the SANA “Salone Nazionale dell’Alimentazione Naturale”, held in Bologna every September since 1989, with 1500 stalls and more than 70,000 visitors. Another 30% are aware about this fair, but never participated or visited. Only a few producers, scattered all over Italy, are already showing a positive and active attitude, searching for integrated promotion strategies, proper advice, new products.

PROBLEM SOLVING

The major problem seems to be the lack of advice, either private or public, about marketing strategies and market opportunities. This fact has been already exposed also in conventional farming, but is exacerbated in organic farming, where almost everything must change for the newcomers. In a few years, all producers actually in conversion will arrive on the market with products, either raw or processed, that could be certified and labelled as organic. Considering the limited economic dimension of the individual farmers, it is hard to imagine that they will be able, separately, to face successfully the challenges of a more structured marketing system.

Will they be able to achieve and hold in their hands a proper premium price, or will they be squeezed by wholesalers and middlemen, as in the past? Only a few farmers show to have the knowledge, the skills and the economic dimensions, to overcome alone all these problems, but this is not the case for most producers. It is clear that a positive answer to the previous question can only come from a better organised offer and from a common marketing. Organic farmers associations, Conventional Farmers Unions and Regional Governments should pay greater attention to marketing.”
FIRST STEPS
Italian Ministry in these days has set a promotional campaign in favour of organics (advertising in newspapers and magazines, TV commercials, leaflets), financed by a 2% tax on synthetical fertilisers and pesticides.
And since 2000, for municipalities and hospitals using every day organic products in refectory is compulsory (but there are no sanctions in case of non execution).

CONCLUSIONS
Supermarkets and direct supply are not antithetical, and are the two faces of the same coin.
We have to remember that not all organic farms are able to face with supermarkets. In 1998 65 organic companies in Italy were supplying supermarkets (excepted fruits and vegetables), with an average of 57 products in the whole network; 46 of these companies were in the shelves with less than 10 goods, and 20 even with 1 only product. The visibility of more than 100 articles was a matter of only 10 companies.
In 2000 numbers are more than doubled, but supermarkets have start their private labels, so we can not see a larger presence.

In an ecological way, aids set by Reg.2078/91 are a good idea, because of their help in spreading clean farming, but in a market optics, it is a better way promote organic sales (in the supermarkets, in farm gates sales, in box schemes, in organic shops, in export initiatives, etc) rewarding farms which grows organics for the market and not only aids.

![Distribution channels of organic fruit & vegetables](source: Zanoli & Pinton)

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Mr. Darko Znaor (CT)
Overview of Development of Organic Food and Farming in the CEE - Elements for a Regional Action Plan

SUMMARY
The economic transition in Central and Eastern Europe (CEE) resulted in rather drastic changes of the agricultural sector. The transition to a market economy caused a huge price disparity between the agricultural commodities and agricultural inputs. The high prices of agri-chemicals and low prices of agricultural produce forced farmers to reduce agricultural inputs or refrain from using them altogether. However, this shift was not the result of a designed agri-environmental policy but rather the consequence of a socio-political evolution from state economy to market economy. At present, the low-external-input agriculture is predominant type of farming in the CEE. However, this type of farming is not necessarily environmentally and nature friendly as it can also cause a whole spectrum of environmental/nature degradations. Organic agriculture is improved and more sustainable form of low-external-input agriculture. It has been practised at some 380,000 ha all over the CEE. The pressure from the local NGOs, the EU accession process and market opportunities are the main driving forces rising the CEE policy makers’ interest in organic agriculture and its benefits that are relevant for policy making. However, the support of the CEE governments to organic agriculture remains mainly rhetorical. In order to stimulate the further growth of organic agriculture sector in the CEE a regional action plan is needed. This plan should be an integral part of a pan-European action plan and should address the region-specific issues.

LOW-EXTERNAL-INPUT AGRICULTURE: FARMING REALITY IN THE CEE
Food production and food consumption in the CEE have declined considerably since 1989. The price of the agricultural inputs increased substantially higher in comparison with the prices of agricultural commodities. While input prices (and some retail prices) have almost reached the same level as those at the international market, prices of basic agricultural products remained almost a factor three below (Beaumond and Montiel, 1995). Farmers’ reaction to this situation was very simple and logic. Since the cost of the (expensive) inputs doesn’t pay back through the (cheap) agricultural commodities, they opted for the substantial reduction of the inputs used or refrained from using them altogether. This resulted in a drop of fertilisers and pesticides use by more than 50% in comparison with 1990 (OECD, 1999; Beaumond and Montiel, 1995). In some countries the decline of inputs corresponds very precisely to the disparity in price between the agricultural inputs and agricultural commodities. In Bulgaria for instance, during the period 1990-1994 the use of mineral fertiliser dropped for some 60%, while the price of the agricultural commodities increased for less than 60% in comparison with the increase of the mineral fertiliser price (Figure 1). In other words, the shift from high-input to low-external-input farming in the CEE was not the result of a designed agri-environmental policy, but rather the consequence of an evolution from state economy to market economy (Kieft, 1999).

Low input and small-scale, labour intensive farming has become the most predominant type of farming in the most CEE countries. In Bulgaria for instance the majority of far-
mers (51.5%) own and cultivate plots smaller than 0.2 ha (Ministry of Agriculture and Forestry, 2000). The CEE farmers’ investments are restricted to some very basic costs (e.g. seeds) and the production is not market oriented, but rather subsistence oriented.

The low-input farming often results in declining agricultural output and thus is not economically feasible. Besides, low-external-input farming, as practised by the majority farmers in the CEE is not necessarily environmentally friendly (Znaor, 1997; Znaor 1999) since it:

- does not pay sufficient attention to anti-erosive measures and promotes continuous soil erosion
- can cause overgrazing, or more often undergrazing (detrimental to biodiversity)
- does not pay sufficient attention to the replacement of soil organic matter, leading to bad soil structure and a decrease in overall soil fertility and soil water holding capacity (more irrigation needed)
- leaves soil bare after a harvest, resulting in soil erosion and nutrients leaching;
- often has inappropriate manure management (storage and application), resulting in run-offs, leaching and volatilisation
- often applies narrow crop rotation or even monoculture that not only reduces soil fertility and allows the build up of pests and diseases, but also has a negative effect on biodiversity
- does not entirely eradicate the need for pesticides and fertilisers use (that are used, but in smaller quantities)

Exceptionally high erosion rates and water pollution in the CEE are best proof of this. The soil erosion affects some 90% of the Croatian farmland, with the soil erosion rates as high as 200 t/ha (UN-ECE, 1999). More than 50% of the Russian and Romanian farmland is subject to various degrees of soil erosion (UNEP, 1997; Znaor, 1999). More than 50% of the total nutrient load to the surface water of the Danube Basin (mainly the CEE countries) derives from agriculture (Haskoning, 1994; TG-MWRI, 1997).

In short, agriculture in the CEE although at a record low or even approaching zero input- is not sustainable either from an economic or environmental point of view.

Figure 1. Relative changes of fertiliser use, agricultural inputs and producer prices in Bulgaria in the period 1990-1994.
CURRENT AGRI-ENVIRONMENTAL POLICIES IN THE CEE
The CEE region involves some 20 countries and their agricultural policies are rather
diversified. However, ten years after the transition, agricultural policies of most CEE
countries are still “at the crossroad”. The agricultural policies of the CEE countries are
characterised by a diversity of development visions as well as a diversity of concepts how
to implement these visions. The turbulent political climate, with too frequent political
changes and replacement of the key policy makers, make it very difficult to set up and
consistently implement any mid- or longer term policy. In a number of countries the role
of the ministries of agriculture in not yet fully profiled as they still struggle in making a
full swing towards serving private farmers instead of the remaining structures of the
agricultural co-operatives. Furthermore in the EU-candidate countries, the accession
process puts tremendous pressure on policy makers. The harmonisation with the EU
legislation requires substantial human resources (some 80% of the EU aquis is related to
agriculture and the environment) and investments. The most recent calculations on the
cost of integration to the EU show that in some accession countries this cost exceeds the
per capita GDP (Angelov, 2001). The environmental investments required alone make 3-
5% of these countries’ GDP, which is much higher than the average environmental
expenditures of OECD member countries (only 1-2% of GDP). At the same time the EU
assistance (e.g. Phare, Tacis, SAPARD, etc.) and bilateral programmes will provide at
maximum some 20% of the required amount.

The agri-environmental components of the current agricultural policies either don’t ex-
ist or are rather vague and underdeveloped. Several countries (e.g. Czech Republic,
Hungary, Slovakia, Poland and Slovenia) have started with some forms of support to
environmentally friendly farming. Ironically, such support sometimes co-exists with sub-
sidy schemes for agri-chemical inputs. In some CEE countries the farm-level costs of
agri-chemicals are maintained at a low level by total or partial tax relief (e.g. Hungary),
or by (hidden) subsidies on the commercial product or its manufacturing process (Lukacs
and Pavics, 2000; Znaor, 1999).

The official agricultural policy in most CEE countries still aims at restoring agri-chemical
inputs to the pre-1990 level (Kieft, 1999), and environmentally friendly agriculture is not
seen as a serious policy option (EC, 1998). One of the latest proofs of this is the list of
the pilot projects submitted by the EU-applicant countries for the EU-SAPARD support.
Only a few agri-environmental projects appear on this priority list (BirdLife, 2000).

ORGANIC AGRICULTURE IN THE CEE: OVERVIEW
Organic farming offers an interesting contribution in solving the environmental and
economic problems of the CEE’s food and agriculture sector. The data on the surface
under organic management in the CEE has to be treated with caution, as reliable data
for some countries is difficult to obtain due to the dynamic development of the sector as
well as the calculation methodology. Some statistics include only certified land, while
others include in-conversion land, as well. Additional problem is the area certified by the
non-CEE certified bodies (mainly for export to the EU) as these figures is difficult to
obtain centrally. Last but not the least, the rapid growth of the sector brought to the
scene some local certifying organisations whose certification scheme is of questionable
quality. Currently, organic farming has been practised at some 380.000 ha of the CEE’s
farmland (Table 1) with a tendency of further growth. As far as the stage of organic agriculture development is concerned, three groups of countries can be distinguished:

1. **frontrunner** countries, such as the Czech Republic, Hungary, Poland and the Slovak Republic. These countries have relatively large area under organic management and rather developed marketing, inspection, certification, etc.

2. **countries** with rapidly expanding organic agriculture, such as Estonia, Latvia, Lithuania and Slovenia. The organic sector in these countries is rapidly developing and the supporting institutional structures (regulations, inspection, certification, market, research and education) are being established or further mastered.

3. **countries** with the emerging organic agriculture. This group includes Albania, Bulgaria, Croatia, Georgia, Moldavia, Romania, Russia, Ukraine, Yugoslavia, etc. The organic production and marketing, as well as regulations, inspection and certification system is still not properly functioning, but is emerging.

Table 1. Estimation of certified organic land area in Central and Eastern Europe in 2000.

<table>
<thead>
<tr>
<th>Country</th>
<th>Hectares</th>
<th>Country</th>
<th>Hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania *</td>
<td>2</td>
<td>Lithuania</td>
<td>5,000</td>
</tr>
<tr>
<td>Bosnia and Herzegovin*</td>
<td>0</td>
<td>Macedonia *</td>
<td>0</td>
</tr>
<tr>
<td>Bulgaria *</td>
<td>150</td>
<td>Moldavia *</td>
<td>800</td>
</tr>
<tr>
<td>Croatia *</td>
<td>13</td>
<td>Poland</td>
<td>22,000</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>170,000</td>
<td>Romania *</td>
<td>300</td>
</tr>
<tr>
<td>Estonia</td>
<td>10,000</td>
<td>Russia</td>
<td>30,000</td>
</tr>
<tr>
<td>Georgia *</td>
<td>350</td>
<td>Slovak Republic</td>
<td>60,000</td>
</tr>
<tr>
<td>Hungary</td>
<td>47,000</td>
<td>Slovenia</td>
<td>5,500</td>
</tr>
<tr>
<td>Latvia</td>
<td>20,000</td>
<td>Yugoslavia *</td>
<td>120</td>
</tr>
</tbody>
</table>

* some sources refer to a much greater area in these countries, as they also include the area “certified” by some organisations with rather liberal certification scheme.

The existing calculations from the region show that a share of as little as 10-20% of organic farming in the total agricultural production already exhibits benefits for the national economy and reduces the environmental costs and degradations induced by the agricultural production (Znaor and Kieft, 2000).

THE MARKET
The value of the CEE organic market is difficult to estimate, as there are no reliable figures available. The value of the total certified organic agriculture goods in the entire CEE might range between 0.8 and 1.2 billion dollars. Some countries such as Hungary, Russia and Slovak Republic produce organic food mainly for export (Hungary > 90%), while the countries such as the Czech Republic and Slovenia produce primarily for the domestic market. Majority of the organic produce at the domestic market is sold in the
direct contact with consumers (on-farm sale, market places, etc.) or in specialised shops. In the countries with the emerging organic agriculture, alternative markets channels such as “garages-sale” and vegetarian restaurants also play an important market role. Organic products do attract a premium price at the CEE markets. The premium price for most of the organic produce in the Czech Republic is 10-20%, Poland 30-50% and Croatia 50-100% higher as compared to the price of the conventional food. However, the supply and demand mechanism is the key rule in determining the magnitude of the premium price. Variable quality, low quantity, limited choice, irregular supply and the lack of the reliable, local certification system are the main obstacles for introducing organic produce into the supermarkets. Health, fashion and ideological reasons, rather than the nature and environment are the driving forces for most organic consumers. The typical organic consumers are younger, well-educated people, as well as the elderly persons with health problems.

INSPECTION AND CERTIFICATION
The system of inspection and certification is in place in most CEE countries. However the quality and reliability of these systems in the Czech Republic, Hungary, Poland and Lithuania is far ahead other countries, as these countries have IFOAM accredited certifying organisations. The inspection and certification is rather vague and liberal in the countries with the emerging organic agriculture. The volunteers of the local NGOs that have limited manpower, time, expertise and financial means run most of the inspection and certification in these countries. The authorities of the most CEE countries have already adopted the regulation on organic farming (or this is in procedure). However, these regulation are more the government’s respond to the years of pressure from the organic NGOs and own administrative strivings to harmonise their own regulation with that of the EU- rather than a product of the genuine interest in organic agriculture by the CEE policy makers. In some countries these regulation are still not in the implementation since they do not precisely administer some of the most vital questions, such as the basic management operations and the list of permitted substances. They offer just a “framework”, while the ministries of agriculture still have to come with the additional directives that would enable their operational use. However it is highly questionable how all this will be worked-out in some countries, as the qualified experts and institutional settings needed to implement the organic inspection and certification are still to be built. This juridical and institutional “vacuum” favours the work of the foreign (primarily EU-based) certifying organisations. Their number and presence in the Balkan countries for instance- literally flourish. The competition among these organisations that wish to conquer the new markets is rather strong. In certain CEE countries some of these organisation already got monopoly at the market as they managed to obtain the “exclusive right for certification” (signed by the minister of agriculture)!

STATE SUPPORT TO ORGANIC AGRICULTURE
With the exception of the Czech Republic, the governments of the CEE have so far paid relatively little attention to organic agriculture. In the past years the organic NGOs were the only true pull and push force in promoting organic agriculture in the CEE. Currently there are some 200 NGOs that are specialised in organic agriculture throughout CEE,
with ever increasing number. Their work encompasses a wide range of activities, such as training and education, publishing, consultancy, inspection and certification, awareness campaigns, etc.

The wish to join the EU forces both the actual and potential accession countries to adapt their respective regulations and economic instruments to those of the EU. This is an important factor as the regulation on organic agriculture, as well as that on agri-environment is an integral part of the EU legislation. In order to pursue the EU membership, the governments of the accession countries have to establish (and harmonise) legislation on organic agriculture, too. As this is not an easy task international and bilateral development programmes sometimes support and facilitate this process. (The introduction of the EU agri-environment programme (Regulation 2078/92) in the ten accession countries, funded by the Dutch government and co-ordinated by the Avalon Foundation is one of the apparent examples of this kind).

Apart from the pressure of the local NGOs, the EU accession process and international donors, the market opportunities (both export and domestic) play an important role in rising governments’ interest to organic agriculture (Figure 2).

The CEE governments’ budgets devoted to organic agriculture are meagre. Only Slovenia and the Czech Republic have budgets that are higher than 1 Euro per hectare of the utilisable agricultural area, while the budgets of all other countries are far below this figure (Table 2). A serious political will and commitment to promote organic agriculture is still missing and the support to organic sector in most of the countries is mainly rhetorical. Although many CEE policy makers claim they would support organic farming if they had higher budgets, the reality is often different. Croatia is an excellent example of this practice. Out of nearly 150 subsidies for agricultural production and numerous development programmes run by the Croatian Ministry of Agriculture, none are designated to support organic (or any other type of environmentally friendly) farming (Znaor, 2001)! There is always some money to promote various forms of agriculture, and the support to organic agriculture is a question of priority and strategy rather than the money available.
Table 2. State support to organic agriculture of the selected CEE countries.

<table>
<thead>
<tr>
<th>Country</th>
<th>Regulation</th>
<th>Direct payment (Euro per ha)</th>
<th>Estimated OA budget for 2001** (total Euro per ha of UAA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>in procedure</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Croatia</td>
<td>+</td>
<td>-</td>
<td>135.000</td>
</tr>
<tr>
<td>Czech Republic  *</td>
<td>+</td>
<td>30-90</td>
<td>4.600.000</td>
</tr>
<tr>
<td>Estonia</td>
<td>+</td>
<td>25-60</td>
<td>800.000</td>
</tr>
<tr>
<td>Hungary</td>
<td>+</td>
<td>-</td>
<td>600.000</td>
</tr>
<tr>
<td>Macedonia</td>
<td>in procedure</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Poland *</td>
<td>+</td>
<td>30-130</td>
<td>1.400.000</td>
</tr>
<tr>
<td>Slovenia *</td>
<td>+</td>
<td>186-571</td>
<td>1.200.000</td>
</tr>
</tbody>
</table>

* The budgets earmarked for 2001 should actually be much higher in order to be sufficient to cover for the direct payments alone. However, the existing official data and resource persons contacted repeatedly indicated the budget amounts used in this table.

** Includes money for the direct payments, inspection and certification, market development, etc.

REGIONAL (CEE) ACTION PLAN ON ORGANIC AGRICULTURE: JUSTIFICATION AND ELEMENTS

The organic NGOs did a major job in promoting organic agriculture in the CEE. However, their limited political influence, manpower and financial means are now obstacles for initiating further changes. A more rapid development of the CEE organic agriculture sector is possible only with the governmental support. The momentum is there as both the political settings (accession to EU and rhetorical support of the CEE policy makers) and markets favour organic agriculture. Besides, organic agriculture is seen as an interesting contribution in solving the environmental problems of the region. The ministerial conference of the environmental ministers of the Danube countries (predominantly CEE countries) held in April 2001 in Bucharest called for a further support to organic agriculture, as well as for a regional action plan in this filed. The need for a regional action plan is also justified as the CEE countries:

1. do not have any (or have vague) agri-environmental policies
2. do not have the on-going action plans for organic agriculture
3. place organic agriculture low at the political and other agendas
4. need an extra push in order to transform the rhetorical support of the CEE policy makers into a more tangible forms of support
5. will otherwise be lagging much behind the EU in pursuing modern policy and production practices that enable true environmentally friendly, economically feasible and socially/ethically acceptable agriculture.

Ideally, the regional (CEE) action plan should be an integral part of the EU action plan on organic agriculture. This will give an extra political “weight” to the plan and provide a true pan-European perspective for the development of organic agriculture. The past and present EU experiences will be very valuable to the CEE in designing its regional plan. The plan should have clear objectives, realistic targets and timeframe. It should also adequately reflect the region-specific situation and problems. The measures of this plan should facilitate conversion to organic agriculture of not only currently dominating
low-input agriculture, but also that of the remaining high-input practices. A mix of policy instruments (regulative, economic, informative, institutional and voluntary) should be put in place to facilitate implementation of this plan. Among these, the economic instruments should play a key role (e.g. conversion subsidies, fiscal policy, etc.). However, the economic instruments should go hand in hand with a specific capacity building policy of training, extension and R&D programme to enable management decisions not to rely on high inputs only, but on the most efficient use of available farm resources and inputs. The plan should also address the tactics of involving various stakeholders and define the progress monitoring mechanisms. Last- but not the least, a realistic budget should be determined to enable the successful implementation of the plan. Next to the national budgets of the CEE countries, substantial international support will be required. The international development programmes like those of the EU and bilateral co-operation agreements can be an important source of financing. Besides, some innovative financial schemes such as debt swaps for environment should be explored, too. The establishment of an international facility that would co-ordinate preparation and implementation of this plan is vital for enabling a concerted and efficient action!

References

Mr. Tomás Zidek (CS)

Czech Agriculture

The importance of agriculture in the national economy of the Czech Republic, as measured by normal indicators, is comparable to that of the EU states. In recent years, the share of agriculture in the gross domestic product (GDP) has been about two percent, with employment in agriculture accounting for some four percent of total employment. The market for agricultural products has been liberalised to a great extent. Only the milk, sugar and the cereal sectors are regularly regulated by the state; other commodities are regulated as required and to a limited extent. In 2000, aid for agriculture amounted to 9.8 billion Czech crowns (approximately 280 million EUR).

The agricultural area of the Czech Republic is 4.3 million hectares in total, of which 3.1 million hectares are arable land. About one half of the total agricultural area is located on less favourable land, and about one eighth is located in conservation areas (protecting water resources, landscapes and nature).

HISTORY AND DEVELOPMENT OF ORGANIC AGRICULTURE

The history of Czech organic agriculture started in 1989, when there were only two organic farmers in the republic. The Ministry of Agriculture of the Czech Republic then began subsidising organic production. From 1989 to 2000 there was exponential growth in the number of organic hectares, climbing to 165,699 hectares (table 1). Four organic farmers’ associations were founded in 1990. The Ministry of Agriculture supported all new organic farmers through direct subsidies per hectare. Seventy-five organic farmers in their second year of conversion were registered in 1991, and state subsidies for new farmers continued until 1992. In 1992 there were 14,000 hectares of organic farmland. In 1993 the new government decided about abolishing of support programme for organic agriculture. It was difficult for organic farmers, but the whole movement profit on that decision. The number of farms was increasing annually and especially family farmers from LFA started conversion programmes. The total area of organic agriculture land was decreasing and several big organic co-operatives have stopped they organic programmes, but there were those, whose were not so good and successful as organic. The position of organic farmers associations has become stronger than before.

The new subsidy programme started in year 1998 and continue up to now. The total amount of money for this organic support scheme was in year 2000 89 mil Czech Crown, that is approximately 2.2. mil EUR, less than 1% of total amount of support programmes in the Czech Republic. Rapidly increasing number of organic farms and hectares needs a good certification and control system.
The Ministry presented the first regulation on organic agriculture, and the certification and control system was started in 1993. In the same year, the Czech organic organisations decided to have one common “BIO” logo. In 1994 the Czech Republic asked the European Commission to be included in the equivalence list of third countries provided for in Article 11 (1) of Council Regulation (EEC) No. 2092/91. The Czech Republic has been on this list since February 4, 2000. The first real marketing activity started at the end of 1999, when the supermarket AHOLD launched an organic beef project.

In 1998, 60,924 hectares out of a total of 71,620 hectares were grassland. Out of the 165,699 hectares under organic management in 2000, 65,942.1 hectares were in conversion and 99,757.3 hectares were fully organic. Out of the certified farms, 385 were privately owned, 13 were agricultural co-operatives, and 123 were under other types of ownership.

Table 1: Organic Farming in the Czech Republic: organically cultivated area, including conversion area

<table>
<thead>
<tr>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms</td>
</tr>
<tr>
<td>Processors</td>
</tr>
<tr>
<td>Total number of certified producers</td>
</tr>
<tr>
<td>Other producers applying for certification</td>
</tr>
<tr>
<td>Total organic agricultural area* (ha)</td>
</tr>
<tr>
<td>Permanent grassland (ha)</td>
</tr>
<tr>
<td>% of total agricultural area</td>
</tr>
</tbody>
</table>

About 200 shops, supermarkets and health stores sell organic products (cereal products, peas, herbs and spices, wines and cheese and beef meat). Fresh fruit and vegetables are mostly not available only in a few shops, and milk, eggs are sold only on farms.

The main export products are: barley, buckwheat, spelt and rye. Currently, our producers exports products to the EU, mainly to Austria, Germany and the Netherlands.

There are very few organic imports, and these are mainly from EU member states.

LAND USE, ANIMAL HUSBANDRY

Table 2: Certified Organic Plant Produce in 2000

<table>
<thead>
<tr>
<th>Production</th>
<th>Quantity in tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>2,321</td>
</tr>
<tr>
<td>Rye</td>
<td>1,795</td>
</tr>
<tr>
<td>Barley</td>
<td>1,824</td>
</tr>
<tr>
<td>Maize</td>
<td>300</td>
</tr>
<tr>
<td>Oats</td>
<td>1,020</td>
</tr>
</tbody>
</table>
Table 3: Certified Organic Animal Produce in 2000

<table>
<thead>
<tr>
<th>Production</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Milk</strong></td>
<td>4,795 litres</td>
</tr>
<tr>
<td>Dairy products</td>
<td>816 tons</td>
</tr>
<tr>
<td><strong>Number of animals</strong></td>
<td></td>
</tr>
<tr>
<td>Bulls for meat</td>
<td>6,675</td>
</tr>
<tr>
<td>Pigs for meat</td>
<td>569</td>
</tr>
<tr>
<td>Sheep for meat</td>
<td>1,728</td>
</tr>
<tr>
<td>Goats for meat</td>
<td>131</td>
</tr>
<tr>
<td>Laying hens</td>
<td>61,200 eggs</td>
</tr>
</tbody>
</table>

Source: Ministry of Agriculture of the Czech Republic, 2001

There is practically no poultry or pig production, and the production of vegetables and fruit is limited.

STANDARDS AND CERTIFICATION, STATE REGULATION

The Organic farming Act No. 242/2000 and its Governmental Decree No. 53/2001 of the Ministry of Agriculture defines the use of the expression “Produkt ekologického zemědělství” (product of organic farming, sometimes abbreviated as “EZ”) and the “BIO” logo on the label. Products from the conversion period may not be labelled with any reference to organic farming or to conversion.

The “Organic farming Act” contains national production standards for organic farming and establishes the organisational framework. In some respects, the national standards in the “Organic farming Act” are stricter than the EU legislation, e.g. standards for landscape management, explicit environmental protection requirements and the obligation to make a conversion plan. The “Organic farming Act” covers more topics than the EU regulation: it includes rules for agricultural products not intended for human consumption and rules for fertilisers and soil conditioners listed as “may be used in organic farming”. This act was published in 2000 and came into force in January 2001. It is equivalent to Council Regulation (EEC) No. 2092/91.

A second related legal text is the Governmental Decree 24/99 of January 1, 1999, published in the Official Journal 99/2, on the granting of support for non-productive functions of agriculture. Only producers who have been inspected and certified by an approved inspection body are entitled to the subsidy.
THEME 6

IMPLEMENTATION OF COUNCIL REGULATION (EEC) NO. 2092/91

On October 11, 1994, the Czech Republic submitted a request to be included in the equivalence list of third countries provided for in Article 11 (1) of Council Regulation (EEC) No. 2092/91. Several meetings were organised between representatives of the Czech Republic and the EU Commission Services. The Czech Republic has been on the list of third countries since February 4, 2000 for vegetable and processed vegetable products. The discussion with EU Commission about equivalence of the meat organic production is still continuing.

STATE SUPPORT

The Ministry of Agriculture has introduced an agri-environmental programme, including direct support for organic farming, which started in 1998. The system is based on points for each organically farmed hectare (including land in conversion): 15 points per hectare for horticulture and special crops, ten points per hectare for arable land and five points per hectare for permanent grassland. Every point represents 200 to 230 Czech crowns (about 5.5 to 6.4 EUR). This policy resulted in the spectacular increase in organically cultivated land in 1998.

Other important efforts for the advancement of organic agriculture should include:

- National organic agriculture action plane
- Developing marketing structures for all organic products, especially for potatoes, vegetables and fruits;
- Establishing educational and extension systems for all organic farmers.

PROPOSALS FOR FUTURE

For the Czech Republic is clear, that further development of organic agriculture in one of the big challenges for near future, especially in the light of EU accession. Country with, as I have already mentioned has about one half of the total agricultural area is located on less favourable land, and about one eighth is located in conservation areas and with limited marketing knowledge for conventional production has a big chance to support organic agriculture as a national strategy for its structural policy. The European organic sector is relatively young, marketing structures in Europe are in a big development and that is a chance for us to play a key role in a future of European agriculture strategy and not to be in position of a producer of relatively cheap raw product from big scale conventional agriculture. Of course understanding of agriculture politicians is needed and it is in the Czech Republic as difficult as in the others candidate countries. That is why I appreciate a relatively high support for development of organic production in candidate countries permanently presented by EU politicians, like commissioner Fischler, or minister of agriculture of Germany, Denmark, Sweden, Austria or Netherlands. I hope, that finally a revision of CAP will reflect this trend of sustainability and ecology in whole Europe.
Mr. Stephan Dabbert  
Elements of a European Action Plan for Organic Farming

Stephan Dabbert, Raffaele Zanoli and Nic Lampkin

ABSTRACT
The paper gives a number of reasons why a European action plan for organic farming is needed. The elements of a European action plan are outlined. A first step of an action plan is to find as much as possible a coherent description and understanding of the situation of organic farming in Europe at the outset and the barriers to further expansion. Strategic decisions that have to be taken carefully are identified: What weight should be given to organic farming policy? Why does policy want to support organic farming? Is organic farming just a system for less favoured regions? How important are the protectionist elements in organic farming policy? The answers to these questions are important to choosing an effective policy mix.

The paper argues that the following policies should be part of a European action plan:
- Informing the consumer, especially developing a unified approach to a widely recognised common logo based on EU regulation 2092/91 and subsequent legislation.
- Improving the functioning of the organic chain: Production, processing, distribution within the supply chain with major emphasis on improving information, education, technology development, research and extension for organic farming and its process chain.
- Supporting organic farmers financially as remuneration for the production of public goods.
- Reviewing related policies with direct influence on organic farming such as the general measures of the common agricultural policy or tax laws and others, in particular removing production constraints such as set-aside aimed originally at conventional producers.
- Supporting creative conflict between conventional and organic farmers and building as much as possible a consensus on the long term objectives with respect to organic farming.

A high priority should be given to measures dealing with improving the information on organic farming to consumers. It is recommended to closely monitor any realisation of an action plan and to adapt the plan accordingly. In order to turn already the development of the plan into a catalytic process for the organic sector it is important to involve the stakeholders in a systematic way.

1 WHY A EUROPEAN ACTION PLAN FOR ORGANIC FARMING?
Policies relevant to organic farming have not always been co-ordinated well on a European level. The same holds true for policies within a number of member states. Different elements of organic farming policy are operated independently without seeing that they have in practice quite a close connection. The most obvious example of such developments is that policy makers responsible for the magnitude of subsidies for organic farming within the agri-environmental programmes are often not feeling responsible for...
market developments in organic farming. If only subsidies for organic farming are increased and all other factors stay constant then it is likely that prices for organic products will fall and actually organic farmers might even be worse off than before. It seems absolutely mandatory that these connections between supply and demand are at least thought of when policies are devised.

Another example refers to the magnitude of the subsidisation within the agri-environmental programmes for organic farming compared to integrated farming. There is a number of examples where there is practically no difference between the two so it should not come as a surprise that under such schemes farmers would rather use integrated practices which have much less restriction connected to them than organic farming.

Many promising measures that are potentially very helpful for further development for organic farming have not been used at all or only at a very small scale up to now. Examples would include the provision of frequently updated information on organic market which is still very scarce throughout the European Union or the support of technology development. It would make sense to have a systematic plan that would address those areas which might be quite beneficial to further development without involving too much financial involvement by governments.

The development of such an action plan itself can be seen as a catalytic process where networks between actors within the organic field are formed. Those actors are not only policy makers within administrations, parliaments and governments but also include many others: consumers, farmers and everybody in the processing, distribution and marketing chain of organic products. A discussion process which might be initiated by government but includes all these stake holders might also foster co-operative but non-governmental solutions and closer collaboration within the sector. As European policies are the dominant scale in the agricultural sector and the European level is gaining importance in marketing of organic products it makes sense to also more consciously devise organic farming policies on a European level, rather than only on a national and regional level.

Actually, this process towards a European action plan is happening and this international conference initiated by the Danish government and minister Ritt Bjerregaard is part of it. This process should take into account the experiences with other action plans throughout Europe, notably the Danish examples. The knowledge generated through research that analyses organic farming policy in the context of the Common agricultural policy should also be considered. We base our remarks on such a research project that covered all countries of the European Union plus Switzerland Norway and the Czech Republic.

We start from the assumption that government support of organic farming can be justified (Häring et al. 2001) and mainly treat the question how best to achieve a further expansion of organic farming.

2 ELEMENTS OF A EUROPEAN ACTION PLAN

While the scope and content of political action plans vary widely, it seems necessary for
any coherent plan to address at least the following issues which will be used here as a structure for discussion:

- Analysis of the present situation, identification of barriers and potentials,
- objectives and strategic decisions,
- instruments and addressees,
- priorities,
- follow-up: monitoring and control

2.1 ANALYSIS OF THE PRESENT SITUATION, IDENTIFICATION OF BARRIERS
A thorough review of the present situation is a necessary element of any plan. Differences in opinion on the best combination of instruments are often not only rooted in different objectives, but also in a different assessment of the state of things at the outset. It is a first step of an action plan, to find as much as possible a coherent description and understanding of the starting situation. In the following we offer a sketch of our views, which might be useful for discussion. We concentrate on the barriers, because a European action plan will have to overcome these. The opportunities are of course also quite important. They are with respect to policy discussed in a different paper at this conference (Häring et al. 2001), and with respect to markets in the respective session and elsewhere (Michelsen et al. 1999). However, the opportunities will be also dealt with in this paper when the instruments are discussed.

The following barriers slow down a possible further expansion of organic farming:

- Organic products are in most member states difficult to identify, even for those consumers that are sympathetic and interested in them.
- In total the organic sector is too small to make use of economies of scale, especially in the chain between farm gate and point of sale of the final product to consumers which leads to comparatively high cost. These in turn necessitate high premium prices and are a reason that only a rather small number of products are available in supermarkets. In turns these factors deter the potential "new organic consumer" from actually buying the products. With low quantitative demand the situation stays unchanged. (Interestingly enough there are examples from member states where for certain products the description does not hold, but for the majority of states it seems to be correct).
- European Regulation 2092/91 and subsequent legislation has much improved the certification system. Still trust of consumers in the certification and control system could be improved.
- Demand for food stuff can react very flexible within a time span of days, while the supply of agricultural products is rather inflexible, because of the long time spans any production process needs. The flexibility of the reaction of the organic supply is even lower than that of a conventional farming system because of the required transition period.
- For most farmers the transition to organic farming is a long-term strategic decision, which usually implies a planning horizon of a decade or more. Only with confidence that markets and policy will be favourable for organic over an extended period of time it becomes interesting to convert to organic farming. This is especially true if one considers the high cost of transition for certain types of farms: In animal husbandry often high investments are needed in order to comply with the organic standards.
While Agenda 2000 is relatively slightly more favourable to organic farming than the situation before the general measures of the common agricultural policy are in many instances not favourable to organic farming.

It is difficult to get reliable and up-to-date information on the organic sector. This includes market and policy information, but also refers to technical information needed by farmers. Some of the biological-technical problems of organic farming have not been adequately solved by the research system.

2.2 OBJECTIVES AND STRATEGIC DECISIONS

There are a number of strategic decisions that have to be made in any attempt to develop a coherent plan for organic farming support. Often these strategic decisions are not much discussed, but are just implicit to the actual policies. These strategic decisions closely relate to the objectives of the action plan. Clarity with respect to these objectives is - in connection with a well-founded analysis of the situation in the outset - a necessary prerequisite for choosing an effective bundle of political instruments.

1. **What is the weight that should be given to organic farming? What are the alternatives?**

Member states who have set targets for organic farming have given a rather clear answer to that question. However, in order to reach environmental benefits by farming, organic farming is not the only option. If a broad spectrum of environmental objectives is to be achieved, organic farming seems to be a good instrument. To reach very specific objectives, specific agri-environmental measures within conventional farming or in addition to organic farming might be more cost effective (Stolze et al. 2000).

2. **Why does policy want to support organic farming?**

There are two major lines of argument: Organic farming can either be supported because it produces public goods and helps to achieve policy objectives like animal welfare and others (Häring et al. 2001). Or it can be seen as a market chance, “an organic market to conquer”. It is of course also possible to combine both views. The importance given to either view has severe implications for policy design. We suggest a mixture of both views to be appropriate and thus base our suggestions for instruments on both aspects of reality.

3. **What it the spatial strategy? Is organic farming predominantly a system for disadvantaged and less favoured regions were it is often found today?**

- The concentration of organic farming in the less fertile regions could be further strengthened. Often these marginal areas are of high interest for nature conservation objectives and organic farming seems to be a useful part of development strategies for disadvantaged and less favoured regions because of a broad array of environmental advantages it usually brings about.

- A different strategy would be to aim for a more even application of organic farming methods across regions and farm types. Here the argument would be that the highest benefit of the introduction of organic farming per area are to be gained if conventional farming is done quite intensively. Also proponents of this view on agriculture argue that a division of the European landscapes in nature conservation areas where organic farm-
ing is used in a substantial part of the area and where the environmental goods and services provided are quite an important factor on the one hand and on the other hand fertile areas, where there is not much concern for the environment is the wrong strategy

4. How important are protectionist elements in organic farming support? How important are measures that make market access to producers outside a defined region or nation in the EU more difficult?

Attempts can be observed in several member states to make market access for organic products from other member states or outside the EU more difficult. Even the use of the European logo is currently not open for producers outside the EU. Attempts to market segmentation is a sensible microeconomic strategy. From a more general viewpoint it should be only a second level in addition to a transparent minimum standard for organic farming on the basis of the European regulations.

2.3 INSTRUMENTS AND ADDRESSEES

We suggest that there are five areas for action that have to be looked at if a more or less coherent plan for the further development of organic farming is to be developed:

1. Informing the consumer, especially developing a unified approach to a widely recognised common logo based on EU regulation 2092/91 and subsequent legislation.

2. Improving the functioning of the organic chain: production, processing, distribution within the supply chain with major emphasis on improving information, education, technology development, research and extension for organic farming and its process chain.


4. Reviewing related policies with direct influence on organic farming such as the general construction of common agricultural policies, tax laws and others.

5. Supporting creative conflict between conventional and organic farmers and building as much as possible a consensus on the long term objectives with respect to organic farming.

While the first three of these measures have clear groups of addressees: Consumers, actors in the processing chain and producers, the other two fields of action are of a more cross sectional nature. They basically refer to all the groups and possibly beyond.

Informing the consumer

Demand for organic food is probably the single most important variable for the future of organic farming. In the current situation actual demand for organic food is not fully realising its potential for a number of reasons. The crucial obstacle to the full realisation of potential demand is lack of transparency in the market from the viewpoint of the consumer. In most countries consumers are facing a variety of labels which is still very confusing for consumers and also an impediment for free trade between the countries of the European Union.
If the growth of the organic market is to be continued then it is absolutely necessary that there is a means for consumers to very easily distinguish all organic products from conventional products. With taking over the defining power from the organic farming movement the responsibility for such an attempt lies with European policy. The existence of the European logo for organic farming is an acknowledgement of this responsibility. In its current version the European logo is not very well suited for the task at hand. This is because the European logo is from the viewpoint of the consumers very similar to the logos under the designated origin legislation, that is in effect the European logo for organic farming products conveys the image to the consumer that this is a product backed by the European Union and not that organic products are products which are different from the rest of the market (Figure 1). The second criticism is based on the current interpretation of the European Commission that allows the use of the European logo only if no more than 5% of the ingredients of the foodstuff are produced outside the EU. This means that the European logo for organic farming is currently not applicable for many organic products so the aim of helping to more market transparency is not reached. The obvious advantages of the European logo are that it is free is obviously not enough to balance the disadvantages.

It should be noted, however, that the argument forwarded here for a common unified European new logo for organic products is not to be understood as a substitute for attempts to develop more strongly the regional character of organic foodstuff. There are a number of initiatives in this respect and there is possibilities under the new rural development regulation to support these. The argument here is seeing these two approaches as being complements and not one substituting for the other. And the situation up to now has been the total lack of a European wide approach on market transparency which is consequently stressed here.

If European labelling is to really succeed in the market this is very unlikely to happen without a major campaign that supports the awareness of consumers to such a label or logo. Such a campaign might be less expensive than campaigns that try to establish other brands, products or labels in the market because in the case of organic products many consumers have a generally positive feeling. Such a campaign would be in the interest of the organic farming sector as a whole, however, this interest does not fully coincide with the interests of many of the single actors within this sector because a firm establishment of the European logo in the market place devalues to a certain degree other logos even if those logos are very likely to exist further in addition to the European logo. It might be seen as rational from the viewpoint of farmers’ associations and other owners of labels to oppose such an approach because the investments they made for their own labels might lose some of their value. In spite of this foreseeable opposition there is a strong case for a European effort in establishing a European label. First organic farming is a classic case of a sector producing positive external effects. If such a sector
could be increased by actually realising potential demand by consumers this is a very
desirable situation because public goods are paid for as a joint product to private goods
by consumers. A marketing effort for such a new European label for organic farming
would also have the advantage that it needs a major effort in the first year and then only
minor efforts (recall marketing) in the subsequent years. This is quite different from the
situation in other areas for public support where often continuous support is asked for.

In order to make a marketing effort a success it is necessary to completely review the
approach that led to the European logo for organic farming. A successful logo must
clearly distinguish the organic products from other products. It is very important that all
organic products may use that logo, for consumers it would even be desirable that all
organic farming products must use such a logo. So it would be useful to think about
such a logo as something that supports organic farming in general and not just within
Europe. Such a suggestion, of course, does not go conform with a view that sees Euro-
pean organic farmers as the only beneficiaries of a new European organic farming logo.
However, there are two arguments to be considered here. One is that the organic farm-
ing regulations of the European Union have been very influential and have actually in
some respects come close to being something like the world standard for organic farm-
ing. With such an influence, of course, also comes the responsibility. The other argu-
ment refers to the fact that many imported organic products provide synergies in actu-
ally realising the potential demand for organic products, as availability of many speciali-
ties is still a problem. A wider product range available on organic farming products
might also benefit those products produced in the European Union. And thus it could be
argued that if potential demand is actually realised by a much more transparent system
for the consumer there might still be a net benefit for European organic producers if an
increased market transparency leads to a total market expansion. Drawing from expe-
riences of some member countries it is vital that the European logo is free for producers.
It should also be reviewed whether the use of the logo could be mandatory labelling,
which from the viewpoint of consumers would be desirable.

Once a new European logo is developed along the lines argued then it is imperative to
actually introduce this into the market and make it well known quite quickly. In order to
actually reach the results substantial sums of money are necessary for a first wave mar-
keting campaign. However, it seems necessary to put the amounts needed for such
campaign in proportion to the sums that are spent on supply side subsidies for organic
farmers via the agri-environmental programs. These supply side subsidies currently seem
to be in a range of about 300 million Euro per year in the European Union (compare
Lampkin et al. 1999). If for a one time campaign half of that sum, that is 150 million
Euro per year, and for recall campaigns a tenth of that sum for subsequent years would
be budgeted then it seems likely that the desired effect would take place.
Any information campaign has, of course, to be developed with and carried out by
professional agencies experienced in that field and it has to be at the same time be
European and tailored to the needs of the single countries. This is quite a demanding
task. Market turnover in the European Union for organic foodstuff is estimated currently
to be at about 7-8 billion Euro per year (ITC 1999). The objective of such a campaign
would be probably in the vicinity of doubling market demand within three years. The
expected increase in turnover also puts the demand on marketing budget into perspec-
tive.
Such an approach would be a new within the European context. However, if European policy decides that organic farming should be an important part of European agriculture in the future then marketing the idea of organic farming in connection with a new organic farming logo seems to be quite an effective way of making use of money that is intended for organic farming support. In view of this fact a new step in policy might be necessary and justified.

**Improving the functioning of the organic chain**

The logistic chain of organic farming is currently not working in all aspects efficiently. The aspects of that chain are the inputs bought by organic farmers, especially those that are specific to organic farming like organic seed and the like the production process on the farms themselves and especially the further distribution processing and marketing beyond the farm gate up to the point of sale to the consumers. Focussing on this chain in total is for two reasons very important. On the one hand the confidence of consumers that organic products are actually produced differently rests upon the functioning of every part of that chain. For this reason it is very important that there are reliable, transparent and similar standards in all member states and regions with respect to the certification and control process. Reading the inspection reports the European Commission is issuing on its review of the certification systems in certain countries makes it obvious that there is further room for improvement in the working of this chain. This would also be very important in order to ease trade within the European Union. Any suspicion that the certification system in another region might not be as strict as in the own region might induce some implicit (or even explicit) protectionist measures.

Another important issue within the supply chain is the issue of information. Actually, the situation with respect to reliable information of the organic sector is not at all satisfying. A recent example (Kuhnert et al. 2001) may exemplify this. In February 2001 the new German minister Renate Künast set a target of 20% market share of organic products in 2010 in Germany. In order to assess whether such a target is realistic or not it would seem to be absolutely necessary to know what the market share at the outset is. However, no government statistics exist on this figure. The estimates provided by scientists, private companies and other interested groups vary considerably. For instance, an article in the renowned Lebensmittelzeitung put the share of total turnover of organic food products in Germany at 2 - 3 % while the organic market expert Ulrich Hamm (2000) estimated only a little over 1%. Total market share of organic products is not only an important information for policy makers. But everybody involved in the market is, of course, interested in the size of that market. It is not straightforward as Kuhnert et al. (2001) point out to calculate from the area in a number of farms to market share. Imports and exports are intervening factors also the production structure of organic farming is quite different from conventional farming and there is no fully reliable data on the number of animals and the share of certain crops let alone the quantities harvested or the amount of milk and meat sold. In addition parts of the products are not sold as organic but enter the conventional market often because of lacking distribution networks especially in the case of milk. On the other hand prices of organic products are higher than of conventional but seem to vary considerably (Michelsen et al. 1999). Taken all this together without a serious effort on improving the information base with respect to organic farming any political measures seem to be like walking through the fog on unknown ground. Especially serious is the lack of up to date and reliable price information in the market despite some attempts in some member states.
But not only market information is scarce. If significant numbers of farmers are to convert they will need to learn new techniques. While the basic agricultural practices are identical in conventional and organic farming much of the system thinking and many of the more detailed aspects are not. To provide easy access to information for farmers is thus an important part of any policy to further develop the organic sector. This holds especially true in practical education at all levels relevant in the agricultural sector ranging from farmers’ practical education up to universities. Any growth scenario for organic farming has to take into account that learning and education takes considerable time.

It is not just only putting information together that is actually there and giving it to people who need it that is important in this respect. Actually, a strong increase in organic farming would also be associated with the need to generate new information and especially to generate new technologies. In the conventional sector it is increasingly recognised that at least parts of technological progress can be privately appropriated by the producers of seeds, pesticides and fertilisers. On the contrary organic farming is based on the fundamental idea to use much less of these inputs into production and substitute those by intelligent measures and specific technologies that much more strongly rely on the resources of the farm. Organic farming by itself it not opposed to modern technologies it only advocates a very careful selection of which technologies to use. Some of the information technologies available might or might not have specific potential for organic farming in order to closely monitor the processes going on the farm. The adaptation and the development of such technologies is something which can not be expected to a large degree from a private sector selling inputs to the farmer. For this reason there is a strong justification for government intervention and there is also need to steer research organisations much more into the area of organic.

**Supporting organic farmers financially**

The current political setting allows direct payments specifically to organic farming (Figure 2). A thorough review of the situation can be found in Lampkin et al. (1999). Premiums paid vary widely between member states and in some cases even substantially in different regions of member states. These payments are in line with the argument that organic farming provides public goods, however, if one judges this type of support just from the perspective of organic product markets, any direct subsidisation is judged critically. As the authors of this paper support the public goods argument they see some justification for this type of support. However, the issue of keeping a level playing field between different regions and member states needs a more careful European consideration.

Typically the payments are on a per hectare scale and are intended for both converting and continuing organic farmers. Just limiting the payments to converting farmers involves some potential danger, as there might be signals given that induce conversion in order to get the payments and reconversion after the eligibility has ended. Also the connection to the public goods produced is lost. Investment aids that involve some preferences for organic farming, e.g. in especially supporting construction of housing for animals that is in accordance with animal welfare standards according to organic guidelines are a better means, if just a temporary aid is envisaged.

With respect to the magnitude of the premiums paid it should be considered, that the long-term reliability of any policy in favour of organic farming is for the decision to
convert much more important than short term gains. The decision to convert is a long term-strategic decision for the farm. Still it seems to be important to have premiums that are attractive. A differentiation of premiums between farm types and regions might be justified under certain conditions.

Figure 2: Organic Farming support under regulation 2078/82, of member states share of total EU , 1997

Reviewing related policies
Any organic farming policy is not functioning in a vacuum, but organic farmers and the organic sector are part of an institutional and regulatory setting which inadvertently influences organic farming often just by accident. It is thus quite important to take a closer look at such policies. For instance, the European agricultural policy has to be reviewed in detail in order to see whether there can be adaptations that help organic farming. A recent example of such a review is the decision to allow that organic farmers grow legumes for fodder purposes on set aside areas. This provision that has been newly introduced into the common agricultural policy in 2001 (Agra-Europe 2001) gives much more flexibility to the crop rotation of organic farmers and actually allows in many cases a subsidisation of the fodder production of organic farmers which earlier they were not entitled to. Even without any major change in agricultural policy it is worthwhile to take a look at the details in order to find points where such improvements are possible.

On a more general line it is quite likely that European agricultural policy will be reformed to a certain degree around the time of the midterm review in 2003 and most certainly in 2007 when the Agenda 2000 planning period ends. If politicians pursue the objective of increasing the amount of organic farming then policies that change the financial support of agriculture to a system that is less connected to production quantities than today
will relatively help organic farming. For instance, nowadays, financial support for beef production is still coupled to the number of animals held and produced. If organic farming has a less intensive system and less animals per hectare then it profits less.

A similar argument is true in the connection with other agri-environmental measures where organic farming should get a financial advantage over these which is related to its actual environmental benefits. While these are very difficult to value in monetary terms it is obvious that they go much beyond integrated approaches and that should be reflected in premiums paid.

Looking at other policies that influence organic farming is not only confined to a subsidisation system of agriculture within the common agricultural policy. It might be imaginable to give special tax breaks for organic farming. For instance, the suggestion has been forwarded to support organic farming by putting lower VAT on its products than on conventional products. Such a provision would actually make organic products cheaper and it would be directly felt by the consumers. It might be difficult currently for political reasons to take such a step and there are obviously a number of legal obstacles on a European level. However, this is an example of basically a negative eco-tax on organic food products. On the other hand state intervention into other parts of the food market can also influence the organic food market and thus severely the organic sector. For instance, if government introduces a state supported logo for integrated farming this might add to the confusion of consumers and might lead consumers to buy the integrated products partly even because they would believe they are organic. Up to now efforts for wide spread adoption of integrated logos and trade marks have not been very successful actually most of the initiatives that have been started with quite some public relation efforts have withered away. However, governments should be aware of the potential negative effects such initiatives could have on the organic sector.

Supporting creative conflict

A last major point concerns actions which are not concerned to financial measures or to regulations but relate to the soft institutional context in which organic farming is operating. There is supporting evidence that it makes sense for organic farming to be both in a certain degree in a confrontation situation with the conventional sector and on the other hand co-operate with the conventional sector (Michelsen et al. 2001). A certain degree of confrontation is necessary in order to keep a clear profile and a distinct identity of the organic sector. On the other hand a cooperation which gives organic farming access to much of the institutional background the conventional sector has built up could also be a boost to the organic farming development.

This is more an approach to dealing with the relation between the two sectors. It is an approach which is relevant to most of the actors within the sector, not only politicians. However, broad consensus among stakeholders and political parties about the medium to long term commitment to a positive development for organic farming is a major positive factor. If such a commitment is believable for businesses, farmers, marketing agents and others involved in the sector then it makes sense for them to invest into organic. Thus creating such a consensus and a confidence of the stakeholders into a positive development is a major risk reducing factor. Moreover, it has the advantage that it is not directly related to any immediate government expenditure but just creates
a positive environment. It can be imagined and the experience with the Danish action plan shows this that just the process of devising such an action plan and accepting it by policy is such a measure to build confidence in future development.

2.4 PRIORITIES
We strongly argue for a balanced action plan that includes a variety of different aspects. However, in the past direct support to farmers has been relatively overrated in organic farming policy. We think that there is a case for increasing total support to organic farming considerably, however, the first priority should be to give relatively more weight to policies connected to informing the European consumer. Thus the suggestions surrounding the issue of the European logo for organic food deserve top priority within a European action plan that should address a multitude of instruments.

2.5 Follow-up: Monitoring and control
It seems to be quite early to think now about monitoring and control of the European action plan. However, if such a plan would be devised and implemented the continuous monitoring of developments within the sector on a European scale is needed. Up-to-date information must be available in order to quickly identify potential problems which might go back to weaknesses of the plan. This monitoring and the reaction that might follow from it could have institutional implications: It is not obvious whether European institutions would be well prepared for such a task or whether reorganisation is necessary. This should be an issue for review.

3 CONCLUSIONS
What has been presented here, of course, is not a detailed action plan but just the framework of thought for such an action plan. In order to achieve such a process it is important to involve the stakeholders in a systematic way. Consumers, organic farmers, conventional farmers, the health food sector, supermarket chains, different levels of administration and scientists should be brought together in a politically led process in order to formulate such an action plan.
A suggestion would be to charge a small group of representatives of different stakeholders (consumers, organic farmers, conventional farmers, health food sector, supermarkets, different levels of administration, research...), with the task to develop an action plan for organic farming in Europe. Such an approach seems to be much more promising than leaving such a task in a traditional manner to administration only. It would only work, if certain prerequisites are given: There has to be some active backing from and continuous feedback with high level politicians across member states and at the EU level. Also professional support with moderation, technical staff, support by ministries and other public organisations would be needed. The advantage of such a group would be that it could build on the successful experiences in some member states.

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no way anticipates its future policy in this area. This paper relies heavily on the preliminary version of technical deliverable Rxiv of this project (Dabbert and Zanoli 2001) to the European Commission.

References
Good morning my name is Paul Holmbeck and I am Director for Økologiens Hus, (The “Organic House” or rather, Center for Organic Agriculture). The Organic House is where the 7 associations of organic farmers and consumers, as well as the Danish organic Trade Association and the Biodynamic association have established a joint center for their technical, political, marketing and advisory services.

On behalf of our organizations I want to thank you all for coming, but also to thank our Minister for taking this initiative for a European Action Plan. As you can imagine we are not too disappointed with our current minister’s efforts for organic farming. I also have the honor to represent Landsforeningen Økologisk Jordbrug (The National Association for Organic Farming) in the Ministry’s Organic Food Council, which developed the two Danish action plans.

I intend to use my 20 minutes to draw from the Danish experience with two action plans to see what lessons might be relevant for an EU action plan initiative. I get to as we say in Denmark “at bære kagen ind” to “carry the cake to the table,” when so many have contributed to the baking.

I would like to quickly give a general evaluation of the Danish Action Plans, and come with some recommendations for the objectives, focus areas and the process for developing a plan at the European level.

THE DANISH ACTION PLANS

The Danish Action Plans (1995 and 1999) have proven to be important catalysts for strengthening the development of organic agriculture and of the market for organic foods in Denmark.

An analysis of the Danish plans and their implementation shows important direct positive effects on conversion, market development, standards, research programs, integration of organic farming in environmental and rural policies and conversion of food purchasing policies in the public sector. Each of you were given an English summary of Action Plan II if you want more details on the specific recommendations.

In short the plans have been a major success. But the success of the Danish action plans is not largely due to the creativity of the recommendations. The success of the plans is best explained by a closer look at the political support, the policy processes surrounding the plans, and the broad political collaboration-and competition-which characterize the development of the organic sector in Denmark. And it is here, that the most important lessons can be found for an Action Plan initiative at the European level.

OBJECTIVES

Let’s start with the objectives of an action plan.

In Denmark, the first action plan had the modest goal of meeting an existing and ex-
pected demand for organic products. In the second plan, the goal was to strengthen the sector further but also to meet specific environmental goals, which had already been set down in other political agreements. Similar agreements and goals do not exist at the EU level yet. An action plan initiative at the EU level therefore needs a solid political initiative to launch this work and that is what this conference is preparing. I hope that all of you at this conference will your influence with your agricultural ministers to ensure support for an action plan in the minister council.

With regards to objectives, many traditional farm organizations say that organic farming should be promoted “to the degree that the market can support it”. While it is an accomplishment that the rise of the organic sector has inspired many agricultural leaders to rediscover the free-market, the new ideas are selectively applied to organic farming. But they do have a point. The market must be a driving force. But many of us want to also use a range of active policy measures to, eventually, ensure conversion of all farming to sustainable organic practices.

It is my opinion that it is not necessary for us to agree on whether the objective is to promote the organic farming as a niche production, or whether the goal is to develop organic farming as a realistic model for future farming in the EU. The things that need to be done, the things that are politically possible do not require agreement on this. We just have to get started.

Action plan II-objectives
The objectives in Action Plan II may be useful as a starting point for objectives at the European level:

1. **Strengthening organic credibility.** Organic standards are one essential element. The starting point for an action plan should be the principles and goals of organic production, not only the commercial potential.

2. **Ensuring the continued development of organic farming and-processing practices.** Research is one driving force, but the organic producers themselves are even more important. And standards must allow for local conditions and innovation.

3. **Ensuring the spread of organic farming,** through market initiatives and policy tools.

A EUROPEAN ACTION PLAN SHOULD PRIORITIZE FOCUS AREAS
It should also be an objective of the plan to incorporate organic farming in all relevant policy areas. There should be no holy cows. In addition to breaking out of being an exotic market niche, it is also high time that we break out of a policy niche both at the national and EU level: Hurrying around Brussels looking for the people in the commission working on organic farming is still a bit like looking for the few organic carrots and cartons of milk that were in the supermarkets, not so many years back.

But we have to prioritize.
What topics should a European action plan cover? This raises the interesting and contentious question: what is the EU good at? Which strategic challenges are best tackled at the EU level and which at the national/regional level, and where do NGOs such as IFOAM and other stakeholders have a central role.
POLICY DEVELOPMENT - WHO DOES WHAT:
Here is a quick attempt at a start at placing primary and secondary responsibility as well as enabling roles. One can disagree with the placement, but some kind of sorting exercise of this nature is necessary. Agreement on placement of responsibility would be an accomplishment in and of itself.

It is my opinion that the EU has the primary role regarding many of the topics at this conference-CAP reform, minimum standards, EU organic work in CEE countries etc. Discussions here at the conference on policy needs and challenges in these areas can jump start a process for a European Action plan. But I believe that labeling, and the fine tuning of standards to local conditions is a NGO and national/regional task. Market development and strengthening production and distribution chains is also a national/regional task where NGOs, suppliers and retail interests are key. There are also other areas. Organic purchasing policies in the public sector in member states, for example, are an important market which is made difficult by some EU policies.

Even such areas as pension can be interesting. The Dutch Platform for Organic Agriculture had an interesting proposal-a better retirement pension to a farmer if a farm has been run organic for 5-10 years when they retire. Why not help these farmers convert, maybe with a young farmer by their side. Farmers are getting old- actually all farmers are getting older, but some are getting very old- many don’t have the interest to convert. But most don’t have the energy to convert. Meanwhile, young farmers can’t get land. This is but one example of how we must build policies for organic farming out of these grim realities.

Another topic is of course
Ensuring credible standards, which reflect the organic principles, give consumer trust and which make sense at the national and regional level.
It is essential the entire standard setting process is evaluated and improved.

The current proposal on additives is an example of the potential for watering down the standards, and will undermine consumer trust. The proposal would also literally water down the standards because some additives have no other purpose than to ensure that organic products hold more water! In this case EU standards do not work for organic farming. There are other examples: It should never have been necessary for the IFOAM EU group to knock on every door in the parliament to ensure a ban on GMOs in organic products. It should have been obvious. So there is a need to write the principles of organic farming into the regulation and put up high barriers to f.x. new substances to keep things on course.

But there is also the danger that EU standards will be so precise and detailed that they are not watered down but frozen solid! Because they can not be adjusted to local climate, nature, animal breeds, consumer demands and environmental conditions. It can be that the inner market and harmonization has met its match in organic farming. Requirements which give good animal welfare for hens in southern Italy with make hens sick in Denmark. Organic farmers are like other people, they have to be allowed to be different to be equal. An EU regulation must be developed which allows for regional differences. It must also be possible for farmers in one land to take on new challenges and raise standards when they are ready.
WHO SHOULD DEVELOP THE PLAN?

The Danish experience is that there is a need for not only broad input but also of balanced input-and leadership from the organic sector.

The Danish Action Plans were developed by the Organic Food Council. The Council was established at the same time that Denmark in 1988 established an organic regulation and a label. The Council draws together the organic and conventional farm interests, consumer, processors and retailers, labor interests and all relevant environmental, research and agricultural authorities, the council serves as a platform for consensus building on organic policies and has been the catalyst for many initiatives in all areas of research, standard setting, market development and more. There is a balance with for example four representatives from the organic farm associations and four from the general farm and dairy associations.

The quality of a European action plan initiative and the quality of the commissions work with the organic sector is in large part dependent on the quality and depth of the organic sectors influence. If there is not a clear commitment on the part of the commission and the council to give the organic sector a leadership role in development of an action plan it is my personal opinion that we are better off without an active EU role. No plan is better than a plan concocted largely by the conventional farm and food industry organizations.

Authorities in Denmark also have a close, direct collaboration with organic associations. At the EU level, it is essential that the commission strengthen its collaboration with IFOAM EU Group which is the most representative organization at the EU level. A few meetings each year is not enough. Putting aside the question of the commissions interest in a close collaboration, I wonder if the commission has the capacity -the manpower - to collaborate with the organic farm associations? The organic work is done by a very few hardworking people working on standards and support schemes. Without a significant reallocation of resources, the commission will not be able to play an active role in strengthening the organic sector.

The organic producers and consumers must also have the necessary representation and capacity to analyze and formulate policy in the action plan process.

In Denmark the organic associations have been strengthened organizationally with government funding to ensure professional input in all policy matters. At the EU level, it is imperative that the Council and the Commission level the playing field for the organic associations by investing in capacity building. Support to establishment and operation of a Brussels office for IFOAM EU Regional Group would be a very good start.

An organic sector which is organizationally too weak to play a significant role in the development of organic farming is a major threat to the sectors future. IFOAM wants to meet this challenge, but will need some help.

CONSIDER SEVERAL ACTION PLANS

One model which can ensure a balanced input, and focussed attention on individual policy areas would be a model with not one, but several action plans, developed by the most qualified persons in each area: research, marketing, agricultural policy etc. Such a model will ensure the development of more precise and operational recommendations.
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in each area and will strengthen networks and a commitment to collaboration among many stakeholders who work in these focus areas. In that way an action plan is not only about what the government-or commission-can do but also about the initiatives other stakeholders can start together. Working groups and initiatives can also be timed in relation to relevant policy work e.g. CAP mid term evaluation.

FOLLOW UP - STAKEHOLDERS
Permanent Representative council which follows up.
The Danish Organic Food Council is also a permanent body which follows and evaluates implementation of the Danish Action Plans. The council has a direct advisory role to the Minister for Food, Agriculture and Fisheries, as well as ministry officials.
The Danish Action Plans contain may highly operational recommendations, but these large, heavy books which cover all relevant topics may be the last of their kind produced in Denmark. With two action plans, a strong and balanced advisory body, and a strong administrative platform, new mini action plans are constantly developed in specific areas such as market development, export, conversion support. Such plans can be revised when new conditions require it.

From the Danish experience, a permanent, well-balanced and representative EU Organic Council should be established to advise the minister council and the commission regarding implementation of the plan. The issue working groups which develop the action plan could afterwards continue to feed new analysis and ideas to this council. Neither the Council nor the Commission has a ready-made model for such an organic council. The Commission does not today have a committee or working group which meets these demands. The Article 14 committee represents the national ministries and is focussed on standards. The organic working group or “standing committee”, which is a part of the DG VI advisory system, is a small start, but limited meeting frequency (2 meetings in 18 months), and a limited agenda make real policy development impossible. The working group in its current form lacks also an adequate representation of the organic associations (2 of 17). Imagine the beef producers surprise if the arrived to a meeting in the commissions advisory committee for their branch and they only had 2 of 17 seats?

FOLLOW UP - ADMINISTRATIVE PLATFORM
Another lesson from Denmark is the need for an administrative platform (secretariat) for coordination and follow up on recommendations in all relevant ministries, agencies and public-private initiatives.
In Denmark, the administrative platform for the action plans was in the beginning a secretary and a chairman who had an important post in the Ministry. After Action Plan II the ministry established a formal secretariat with 3 employees who service and prepare meetings and recommendations in the Organic Food Council. The latest step was the creation last year of a Task Force for organic farming where leaders from all relevant offices in the Ministry of Food, Agriculture and Fisheries meet to develop and coordinate policy on organic farming and food.

It is essential that the Minister Council establish an administrative platform for the work with a European Action Plan initiative.
ORGANIC SECRETARIAT
To ensure coordination, strong analysis and follow-up it is recommended that an Organic Secretariat be established to coordinate the organic action plan effort. This is doubly necessary where an action plan is developed in several different working groups. Placement of this secretariat is critical. To ensure follow up in the commission and incorporation of results in EU policy, it would be wise to place this secretariat close to the commission, especially DG VI. On the other hand, would DGVI take such a secretariat seriously if it is not a part of DG VI?

Another option would be to place the secretariat under the council. This would make the secretariat and the action plan a project of the Council. The existence of the secretariat would itself keep organics on the agenda in the Commission. The opposite may not be the case. A secretariat under the council is my recommendation, though other persons more worldly and wise than myself will certainly have an opinion on this.

*It is also important to ensure ministry (commission) participation at a high level.*
This is also critical to implementation. In the Danish case it was the director of development in the Directorate of food industry. This placed the task centrally in relation to the many research, development and support programs in the ministry. This was critical for integrating organic farming in new policy areas.

FINANCING
Financing of recommendations must be ensured. I am somewhat uncertain about IFOAMs capacity to lift this task alone. I am also uncertain regarding the support in the Council, European Parliament and the Commission regarding financing of initiatives which strengthen the organic sector. The Commission will not use funds to market its own EU logo. This is a sign that investing in organics is not high on the Commissions agenda.

*For an EU action plan, I would recommend that financing of development of the plan, as well as financing of an organic secretariat and an organic council should be ensured at the outset.*

DYNAMIC COMPETITION AND COLLABORATION
I want to come back to one of my original points regarding the basis for success for action plans: The Danish experience is that a dynamic, close collaboration - and constructive conflict - between the organic sectors own organizations and the general agricultural organizations and larger food industry interests is essential to the development of a good action plan. More importantly, it is a necessary condition for a thriving organic sector, with the political and technical advancement of organic farming, but also for the development of the market for organic foods.

The organic organizations, even at our best, do not have the capacity to do all the heavy lifting on marketing or policy.
But the general farming organizations and food industry interests should not kid themselves that they now can represent the organic sector and ensure its credibility and constant development without the organic organizations. They say in so many words “thank you, we’ll take it from here”. But our question would be “take us where?”.

This is of course a sign of the sectors maturity, that the established interests have not only an interest but a need to speak for the organic associations.
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I should say that Denmark is one of the EU member states where the organic associations and the general farm organizations have one of the closest and most constructive working relationships. But the lesson in Denmark is not that the established farm and food industry organizations can ensure the development of the organic sector on their own. The lesson is only that the organic sector cannot do it alone.

So if we are not cooperating something is wrong. But if we are not in conflict, something is also wrong. Because general agricultural organizations, the large food companies and the public authorities can not even under the best conditions, cannot place organic values, practices, interests or policies at the very center of their agenda. Not yet anyway.

CONCLUSIONS
Summary recommendations
I would like to end with a little advice from my mother. Political work-and she did a lot of that-is like putting drops of water in a bucket. You can’t always see the change but the bucket is filling up with every effort.

With that in mind, I would say that political strategy is like a rock that is carefully sat down in the bucket raising the water level. A poor or reckless strategy is like casting the rock in the bucket, splashing hard earned water out and maybe dumping the whole bucket over.

Well. EU is one, big bucket to fill. We need to think our strategy through carefully.... and we need to get ourselves a VERY big rock.
Thank you

Mr. C. J. Kalden (NL)
The Draft Conference Declaration Lists Five Elements for a European Action Plan

One of these elements forms the central principle of Dutch policy to promote organic farming, namely to obtain commitment from all the parties involved: governments, market partners and other groups in society. I would like to explain how we in the Netherlands have translated this into concrete policy instruments. In spite of the fact that organic production methods meet the conditions of socially responsible entrepreneurship and the demand for organic products continues to rise, the organic production chain is confronted with a number of bottlenecks which stand in the way of its growth. Flaws in the chain mean that supply and demand are not properly harmonised, result in high prices for the consumer and uncertainty for primary producers unsure of sales in the mid to long term. As long as sound co-operation between the various partners is lacking, the growth of organic farming will not be able to achieve its full potential. The key to finding a solution is the consumer. The modern citizen increasingly demands products that are produced in a responsible manner. However, this same citizen also balks at paying high prices for organic products.
We believe that the traditional approach, where the emphasis lies on stimulating supply, is no longer appropriate. Which is why Dutch policy takes a demand-driven approach in its efforts to promote organic farming: the demands of the public and consumers are the guiding and controlling principle in the agri-food complex. We make a distinction here between the public and consumers. The public demands high standards for the way in which food is produced. But public demands are not the same as consumer buying patterns.

The consumer is not always prepared to pay the high price required by these production methods. The consumer’s wishes must be central to the promotion of organic farming. These wishes are translated to all links in the organic chain. For the primary producer the market opportunities are clarified. This lowers the threshold to the conversion to organic production methods. The increasing demand for organic products has a knock-on effect in encouraging primary producers to convert. In addition production costs will then be reduced. If the links in the chain work together more efficiently this will lead to a wider range of organic products being made available to the consumer at lower prices.

The choice for a demand-driven approach means that our thinking has to change. It is after all the market partners that will have to make good the improvements to the organic chain.

It is not desirable for the government to have the leading role here. Its job is to facilitate the change. The government supports, challenges and spurs on the process.

Dutch policy is based on four guiding principles:
1. Professionalisation of demand-driven chains
2. Optimum transparency in the chain
3. Development and dissemination of knowledge
4. Stimulating organic primary production.

The demand-driven approach is integrated into all policy objectives, but is most evident in the strengthening of the organic production chain. On the initiative of the Ministry of Agriculture the market partners have formed a Task Force for market development for organic farming, made up of representatives from all the links in the chain. (the Dutch Organization for Agriculture and Horticulture; Platform Biologica, the umbrella organisation for organic farming and nutrition; Netherlands Society for Nature and Environment; the Dutch Association of Food Trade Organizations; the Rabobank; Triodosbank; Stichting Merkartikel). The Task Force will work to get the process underway.

The private sector, the government and other groups in society will combine their efforts and work together to speed up the change to a demand-driven approach. The work of the Task Force will shortly result in the signing of a covenant. This will contain statements by the parties that a change should be made in production and marketing in the coming years from a product-based to a demand-based approach. In addition the parties will agree that market, product and production development is primarily the responsibility of the market partners and that umbrella organisations and the government will concentrate on fulfilling an important stimulating and facilitating role for the market partners. This means that the demand-driven approach has the support of the most important parties in the organic chain. The concrete target of the covenant is: By
2004 organic products will have an average of 5% of the market share of consumer spending on food and drink in the Netherlands at an acceptable price for all parties, that is from consumer to farmer/producer. The Task Force has two core tasks: in addition to a joint information and promotion campaign it will develop chain business plans for the various product groups. The intentions laid down by the parties to the covenant will be made operational for each product group in so-called chain business plans. These business plans for each product group are necessary because the rate of development and bottlenecks can vary from product group to product group.

In a business plan problems and solutions are set out and targets defined. It is absolutely essential that the market partners commit themselves to these targets. In the execution of the business plans the government will make financial contributions on a project basis to concrete activities which promote market development and chain co-operation. The financial support will be limited to projects in which several market parties have an interest, projects which will not get off the ground without extra government support and which contribute to the targets agreed in the business plans.

This year the Task Force aims to draft business plans for five chains. These are dairy, meat, fruit and vegetables, bread and ready made meals. But this is not all. Assistance will also be given to help facilitate business plans that have been developed on the initiative of the chain partners themselves, without the intervention of the Task Force. It is still too early to make a final evaluation of the chain approach, but the early signs are promising. The first concrete result will soon be available, a retailer, a processor and a primary pig producer are starting a project to scale-up the sector. In addition to chain organisation, a demand-driven approach requires special attention to be given to consumer information. In order to communicate effectively, the Ministry of Agriculture and the Task Force are working from their various areas of responsibility on a joint communication plan.

The purpose of the communication plan is to reach a new group of consumers. These are the consumers that are less influenced by idealistic purchasing motives and more by a wide range of products and the quality, actual or perceived, of the product. In addition, good communication can make clear to the consumer why the price is higher for organic products so that he or she will be prepared to pay more. The starting point will be communication from the strength of organic farming. As I have already said, traditionally ways of stimulating supply are no longer appropriate, not even if this means supporting primary producers to change to organic production methods. This means that in the Netherlands the end of the generic premium scheme for farmers to convert has been announced. The co-operation between the various chain partners should be sufficient guarantee for the primary producers to make the decision to convert to organic production methods. By organising the organic chain more efficiently supply and demand will be better harmonised and primary producers will no longer be uncertain of their markets.

The Dutch Government realises that the demand-driven approach requires a change in mind-set. It is not the conversion of primary producers that is most important, but the strengthening of the organic chain. To assess whether the policy stimulus does in fact lead to the desired result, the policy introduced at the end of 2000 will be followed closely and evaluated in the next few years and where necessary it will be readjusted.
We are however firmly convinced that this approach offers the best guarantees in the long term for a strong organic sector.

_Mr. Jonathan Dimbleby (GB)_

**The Role of the Consumer**

The growth of organic farming in Europe is clearly a great success story, with most Member States and the European Commission now giving serious consideration to introducing policy instruments to enable a major expansion of the area under organic production.

But to facilitate a growth in the organic land area from 3% to 30%, we will need a parallel growth in the number of committed organic consumers and voters. If this is not achieved, the public will neither pay their taxes to support the farmer nor buy the added value organic food. Until now, the organic movement has relied on the commitment of a small minority of the public to an organic agenda. This has been taken for granted by governments and farmers alike.

The UK is a good example of what is widely considered to be a “dynamic organic market” but closer research reveals that only 7% of consumers buy 57% of all organic food. If we fail to meet the challenge of educating the consumer, the risk is that the market will be devalued and undermined by a series of “deadly threats” to organic integrity. These include standards dilution, competition in the certification marketplace and price wars. At worst, these will degrade consumer confidence in the organic food label and threaten our strategic objectives.

But how to educate the public? This is one of the greatest challenges that the organic movement faces today, right across Europe. The growing urbanisation of our population has led to a profound dislocation between the town and country and a parallel lack of knowledge about how food is produced. This must be addressed to ensure that both political and market support underpins the expansion of organic farming. Investment must be made in education, particularly in schools, enabling every child to have first-hand experience of visiting an organic farm, giving them an intimate understanding of farming and food production and a more direct connection with nature. This must be followed with the incorporation into schools’ curricula of courses on cooking, nutrition and the link with human health.

To achieve this, consideration should also be given to reviewing the organisational structure of the organic movement. In most European countries, organic organisations do not link consumers with farmers and growers, certifiers, manufacturers and retailers. The Soil Association model, inherited from its founders in the 1940s, brings all the elements of the food chain together under one organisational umbrella. This structure deserves serious consideration by all those with an interest in building a body of informed public opinion about the links between organic farming, food quality and public health. Without this, our movement will have no insurance policy for the future.
Theoretically speaking, organic or bio-dynamic foods might be thought to influence human health due to characteristics of the foods themselves: particular nutrients, undesirable compounds, eating quality, etc. They may also be thought to influence health indirectly due to changes in diet composition brought about by the limited range of foods available or by changing priorities among consumers in regard to vegetable foods contra animal foods. Finally, it is also possible that organic or bio-dynamic foods influence health by psychological means, in the event that consumers place more trust in organic foods as compared to other foods or tend to experience greater moral satisfaction on eating such foods.

These possible health effects have recently been investigated in a review of the available research undertaken by an inter-disciplinary group at the Research Department of Human Nutrition, The Royal Veterinary and Agricultural University (RVAU), and the Danish Research Centre for Organic Farming (DARCOF) (O’Doherty Jensen et al., 2001). This paper reports the conclusions, views and recommendations of the project group.
practice with a view to producing healthy foods with optimal nutritional characteristics.

Nitrogen applications tend to be generally lower in organic farming than in conventional farming, in accordance with current regulations. It should be said, however, that it is possible to supply plants with large amounts of nitrogen in selected areas of the production plot in organic farming, providing the average application per hectare does not exceed the imposed limits. With this reservation, the project group concludes that organic plant products, particularly leaf vegetables, have a 5-40% higher content of dry matter, tend to contain higher concentrations of vitamin-C, and have lower contents of nitrate (~50%) than do conventionally grown counterparts. For similar reasons the protein content of cereals is thought to be 10-20% lower in organic produce. These measured differences are not unequivocally in favour of organic farming, and in themselves do not yield a sufficient basis for concluding that organic plant products have distinctive health-promoting qualities.

Vegetable foods do not only contain nutrients in the traditional sense, but also a large variety of other natural compounds that are biologically active. Some of these non-nutrients, usually termed secondary compounds, are thought to affect fertility as well as susceptibility to heart disease, cancer and obesity. It has frequently been claimed that organic plant production can be expected to yield foods with a higher content of secondary compounds. The project group considers it justified to expect that technical differences between organic and conventional production methods could have significant effects on the occurrence and composition of secondary compounds. However, concrete documentation in this field of study is extremely deficient and inadequate. The project group does not therefore find it possible to draw any conclusions concerning possible health benefits related to the content of secondary compounds.

The use of pesticides and growth regulators is not permitted in organic plant production. It can therefore be expected that organic foods do not contain these compounds, or that they contain only trace amounts of them. Residues of one or more pesticides at legally acceptable levels of concentration are found in about one third of all conventionally grown plant materials, and the acceptable maximum limit is exceeded in 1-2% of crops examined. Organically grown crops in contrast, with very few exceptions, do not have detectable amounts of pesticide residues. However, only few investigations of this issue have been undertaken. A Danish study undertaken in 1999 identified growth regulators in 64 of 77 tests of conventionally grown grain products in concentrations within the accepted limits. Animal studies have shown that these compounds can have negative effects on fertility. On the basis of present knowledge, however, it is not possible to conclude that the presence of pesticides and growth regulators in conventional products constitute a health hazard. Nevertheless, the presence or absence of synthetic spray residues in foods may have significance, given consumer fears about these products. Physical health and experienced quality of life may be affected by psychological factors, thus affecting health more broadly conceived.

Regulative standards allow for a strictly limited use of additives in the processing of organic foods, and it can therefore be expected that organic foods will generally contain significantly less of these compounds. However, no research on this issue has been undertaken. Additives can give rise to food intolerance. Approximately 2% of Danish
children suffering from allergies (corresponding to under 0.5% of all Danish children) also exhibit intolerance of food additives. On this basis, the project group concludes that it is probable that organic foods contribute to lowering the incidence of food intolerance due to a lower content of food additives.

Within the bio-dynamic tradition, picture-developing methods have been used for many years. These are thought to monitor the vitality of the plant and thereby its health-promoting characteristics. Several investigations have been undertaken, confirming that it is possible to distinguish conventional from organic and bio-dynamic plants with the help of these methods. However, only in a few cases have these studies been published in scientific journals. This field of investigation must therefore be viewed as inadequately explored and current documentation remains sparse.

In the view of this project group, the available reports based on the use of picture-developing methodology indicate real and systematic quality differences between conventional, organic and bio-dynamic vegetable products. However, the kind of quality differences that are being monitored remains unclear. In our view therefore, the extent to which any superior picture-developing characteristics monitored in organic material are related to the health qualities of these products is an issue that also remains to be clarified.

The regulations that govern the production of organic animal foods means that the composition of feeds used in organic animal enterprises differ to some extent from those used in conventional practices. In particular, the requirements in organic systems to feed roughage and to provide access to grazing throughout the summer period can be presumed to give rise to differences in the content of vitamins and fatty acids in animal products, as compared to conventional products. Some few studies confirm that such differences do occur.

The restricted use of antibiotics can be expected to yield a lower incidence of residues in organic animal products, but this problem would seem to be a very minor one even in conventional animal production. More significant consequences for health would seem to follow from the as yet unpublished findings regarding a lower incidence of antibiotic-resistant bacteria in organic broilers and dairy cows. The regulations for organic production encourage practices which can also have negative consequences for human health, in so far as extended access to out-door areas exposes organic animals to general environmental pollutants (dioxins, resistant pesticides, etc) and to disease-promoting microbes (intestinal worms, bacteria). Little work has been undertaken in this area however. It is the view of the project group that differences between conventionally and organically produced animal products, which might have significance for human health, remain undocumented as yet.

There is currently no clear basis for drawing conclusions about the sensory qualities of organic foods as compared to conventional foods. Also in this area, a number of more general conditions (for plants: choice of variety, ripening, time of harvest, etc.; for animals: feed composition, breed, age at slaughter, etc.) appear to have a greater influence upon product qualities than does the issue of whether the products have been produced by means of organic or conventional practices. It should be noted, however, that several animal trials indicate that animals show preference for organic or bio-dy-
namic feeds. The reasons for this and its significance are unknown.

Several studies have examined the effects of organic and conventional feeds on the fertility and procreative powers of animals. Three surveys have also been published during the last decade, which have sought to identify corresponding relationships between the consumption of organic foods and the quality of human semen. The results of these studies are not regarded by the project group as yielding conclusive evidence, but their combined results indicate a beneficial effect of organic foods upon fertility.

The review of the relevant social science literature revealed that considerable health benefits appear to accrue to the consumption of organic foods due to concomitant changes in diet composition. Changes in dietary composition occur due to practical conditions in everyday life as well as to changing cultural conditions. The available range of organic products is more narrow than that of conventional products, the degree of processing is lower, and prices are relatively higher. The range of consumer choice is further reduced in the event of a preference for seasonal products that are locally grown. At the same time, core ideas regarding the desirability of consuming organic foods present a challenge to the cultural norms which traditionally underpin meal composition and the rank ordering of foods in the daily diet. These ideas concern the desirability of consuming fewer meat products and more vegetables for environmental and ethical reasons arising from the demands of sustainable development. These considerations may well be reflected in changes in diet composition, which are known to have significant consequences for health in a number of ways. The available research results indicate that changes of this kind do occur among ‘heavy users’ of organic foods. The project group considers that effects upon the composition of the diet among organic consumers can have considerable and positive implications for health. There is however a dearth of studies that throw light on this issue, including the part played by environmental motives as compared to other buyer motives in explaining changes in dietary composition among organic consumers.

Consumer surveys in industrialised countries document widespread concern about and distrust of food products and of production methods in agriculture and in the food industry. These attitudes tend to be reinforced by the absence of face-to-face contact between buyers and sellers during the process of food selection, leaving the burden of assessing product quality entirely in the hands of consumers. Both sociological and psychological studies indicate that shopping under these circumstances is a stressful activity, while the lack of trust in agricultural and industrial methods of production and in food quality gives rise to nagging feelings of uncertainty and insecurity. Each of these factors can have consequences for health. Psychological and sociological research has established that meals make a very important contribution to the quality of life, as experienced on a daily basis. Health studies have established the relationship between the quality of life as experienced and physical health, both in regard to the incidence of illness and in regard to average life expectations. On this basis, it might be thought that the consumption of organic foods may tend to alleviate feelings of insecurity. This tendency is indicated in the available research, but cannot yet be regarded as documented. Other aspects that remain under-explored are feelings and conceptions of belonging to a community and of ethical satisfaction, as influenced by the consumption of organic foods among consumers. It is nevertheless the view of this project group that the origi-
nal values and principles among organic farmers, the provision of regulative standards in regard to production methods and the more frequent use of direct channels of distribution of products may mean that organic food production exerts a significant influence upon conditions of consumption, as outlined above. In this manner, the production of organic foods may have a positive influence on health for larger groups of the population. Documentation in the form of surveys which regard the relationship between the consumption of organic foods and experienced quality of life is, however, lacking at present.

It is evident that current knowledge about the health qualities of organic foods is still very limited and inconclusive. As we have made clear, however, there are a number of theoretical and empirical considerations which might ground the expectation that health benefits accrue to organic products and to consumption behaviour in this regard. Furthermore, there are scientific indications that organic foods have beneficial effects upon fertility. It is therefore the view of this project group that there are good reasons for pursuing further research in this area. Our conclusions are supported by those of earlier reviews in this field (Woese et al, 1995; Slalina, 1995; Alföldi et al, 1998). The project group wishes to draw attention to the inter-disciplinary character and scope of our work. This is perhaps the most important characteristic of our work as compared with earlier reviews. For this reason it is particularly important that we emphasise those aspects of organic foods and health which are illuminated by the social sciences, as outlined here.

We have made it clear that there are still many unresolved issues concerning the health qualities of organic foods. The project group concludes that there are good grounds for initiating research programmes which are designed to resolve these issues. The research questions we consider to be of particular importance are formulated below without indicating any order of priority.

- Do organic vegetable products have distinctive secondary compounds? Which biological effects are related to any such differences in composition? It will be important in this regard to identify a priori particularly significant secondary compounds or combinations of such compounds.
- Which product qualities are identified by picture-developing methods and which health characteristics are associated with these qualities?
- Is there a different incidence of pathogenic micro-organisms in organic foods? How resistant to antibiotics are these micro-organisms?
- Do organic foods have beneficial effects upon fertility? There are good grounds for pursuing interest in this issue in the light of the as yet unexplained increase in the numbers of infertile couples that have been observed in recent decades.
- Are organic foods associated with fewer cases of allergy and food intolerance? This question is also raised on the background of a significant and largely unexplained increase in the incidence of allergies and food intolerance during recent decades.
- Is a preference for organic foods related to changes in dietary composition that regard both food products and nutrients? Which factors can explain such changes? Which health effects follow from such changes?
- Do consumers place more trust in food products from organic production, and is the consumption of organic foods related to an improved quality of life? In that event, which aspects of organic production, distribution and consumption tend to influence
quality of life? Which health effects follow?
The project group considers that answers to these questions should be sought by
initiating research programmes of the following kind:

- Controlled production trials with selected vegetables for use in: (1) biochemical stu-
dies of secondary compounds, (2) further studies of picture-developing characteris-
tics, (3) multi-generational animal studies designed to examine the relationship be-
tween food qualities and fertility, (4) controlled human diet intervention studies de-
signed to examine the effects of organic foods on human biochemistry and physio-
logy, with particular regard to the risks of obesity, diabetes and heart disease.
- Sociological studies of the relationship between consumer motives for choosing or
rejecting organic foods and the experienced quality of life associated with food choice.
- Survey studies of dietary composition among organic consumers, with particular re-
gard to differences in types of food products and nutrients.
- Survey studies designed to examine the influence of organic food consumption on
the incidence of reduced fertility, allergy and food intolerance.
- Intervention studies designed to examine the effects of selection of organic foods
upon the nutritional composition of the diet.

Note
5 The fact should be noted that our review did not encompass any health effects of organic or bio-dynamic
food production that may result from the impact of production practices upon ecological systems or
upon the working environments of employees in agriculture or the food industry.

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Mr. Toralf Richter (CH)
Possibilities and Barriers for Retailing Organic Products

Despite the tremendous growth of the European organic market in the last five years,
the present market share of organic food in Europe remains quite low between 0.5-3
%. The number of regular consumers of organic products in the Western and Northern
European countries varies between 3-10 % (RICHTER et al., 2000 a). As such, organic
products still occupy a niche position in Europe. On the other hand, in most European
countries studies also reveal that a majority of consumers are interested in organic products or organic products have a very positive image in consumer’s eyes (RICHTER, 2001; RICHTER et al., 2000a; SCHAER, 2000; HAMM, 1999). As such, a main market and consumer potential has been not exploited by market actors in the recent years. Three main reasons can be identified as relevant factors responsible for the remaining low market share of organic products, even in countries like Denmark, Austria or Switzerland, where the leading national retailers have made strong marketing efforts to push organic products on the national food market:
1. statistical matters,
2. differences between actors requirements and possibilities and
3. marketing deficits on different actors level.

The following contribution will just briefly touch the first two points and concentrate on retailer based marketing deficits.

POINT 1
The success factor commonly used to describe and evaluate the organic market volume, the “market share of organic products”, is less specific and does not seem to reflect the real significance of organic market sales for the main staple product groups. Often politicians use the term “organic market share” in the same or similar context as the term “share of organic area” and assume by this a strong conformity between the share of organic area and organic sales. The critical point is, that the reference value to the organic sales share, the “total food sales” includes the turnover of products like coffee, tea tobacco, chocolate, spirits or highly processed products, where the organic sector isn’t able or interested to produce an organic alternative. To use the term “share of organic sales”, in particular, will become a problem when concrete political objectives will based on it (like in Germany, where the political objective is to reach 20 % organic market and organic area share in the next 10 years) and political performance will be evaluated on this goal. The problem could be reduced if only the market share of organic staple products (milk/milk products, meat/meat products, fruits, vegetables, cereals and bakery products) would be used in the political context. For instance, in Switzerland the sum of total staple product sales amounts to just 50 % of total food sales. Furthermore, these measures require more reliable data, which document the organic sales, and are based on exact statistics or more standardised estimations than presently exist. Altogether, due to the current lack of valid statistical market data, as well as the fact that the market share will remain clearly smaller than the share of organic area (based on less yields in comparison to the conventional production or the partial collection, processing and retailing of organic products, like described by KUHNERT et al. (2001)), the use of market data as a success factor for organic market penetration can’t be completely recommended.

POINT 2
In most European countries often inadequate market structures between the retailer requirements for an efficient and lean retailing system on the one hand and the existing broad dispersed, often unorganised, small scale product supply on the other hand are barriers for a broader market penetration. Infrastructure is either not existent or not
used and there is sub-optimal co-ordination in delivering mass markets by retail chains or national catering enterprises (DIENEL, 2000). The small scale supply and the low level of organisation and co-ordination additionally lead to high marketing costs, which make the organic product clearly more expensive. Therefore, there is an urgent need for building sustainable networks between producers and retailers as well as flexible and large scale wholesalers and processors (also with conventional roots) for organic products. The policy, but also the regional agricultural chambers and the organic farm associations could help to give material or non material incentives for conventional orientated wholesalers and processors to convince them to enhance their assortment with organic products. In order to reach the middle term growth objectives the formerly strict conventional actors will be the key players or gate keepers for the further development of the organic market with their ability to build adapted logistic networks between supply and retailer structure (see examples in Denmark). For too long the organic movement in many European countries protected the small scale structured organic wholesalers, which are not willing or able to enlarge their wholesaling capacities and have led to low level of competition on the wholesaler level.

POINT 3
In addition to the described problems in the organisation and co-ordination of organic food sales, specific marketing deficits on different actor levels lead to the current situation of a quite low level of exploitation organic demand potential. Conventional supermarkets have a leading role to reach a broad penetration of organic products to all consumer segments (HAMM, et al., 1999). The following table 1 shows the present relevance of organic products for leading European retailer companies.

Table 1: Relevance of Organic Products in Major European Retail Chains

<table>
<thead>
<tr>
<th>Company</th>
<th>Number of organic products in big outlets</th>
<th>Share of organic sales (Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waitrose (UK)</td>
<td>1300</td>
<td>4.0% (1999)</td>
</tr>
<tr>
<td>Tegut (GE)</td>
<td>1200</td>
<td>7.7% (2000)</td>
</tr>
<tr>
<td>Sainsbury (UK)</td>
<td>1000</td>
<td>&lt; 1.5% (1999)</td>
</tr>
<tr>
<td>Tesco (UK)</td>
<td>1000</td>
<td>&lt; 1.5% (1999)</td>
</tr>
<tr>
<td>FDB (DK)</td>
<td>800</td>
<td>5.4% (1998)</td>
</tr>
<tr>
<td>COOP (CH)</td>
<td>650</td>
<td>5.3% (2000)</td>
</tr>
<tr>
<td>Migros (CH)</td>
<td>650</td>
<td>2.2% (2000)</td>
</tr>
<tr>
<td>Billa/Merkur (AT)</td>
<td>400</td>
<td>3.7% (1998)</td>
</tr>
<tr>
<td>Rewe (D)</td>
<td>200</td>
<td>&gt; 1.0% (1998)</td>
</tr>
<tr>
<td>Dansk Supermarkt (DK)</td>
<td>200</td>
<td>?</td>
</tr>
<tr>
<td>Metro (D)</td>
<td>160</td>
<td>0.1% (1998)</td>
</tr>
<tr>
<td>Carrefour (F)</td>
<td>120</td>
<td>&lt; 1.0% (1999)</td>
</tr>
<tr>
<td>Spar Österreich (AT)</td>
<td>60</td>
<td>1.0% (1999)</td>
</tr>
<tr>
<td>Auchan (F)</td>
<td>&lt; 200</td>
<td>&lt; 1.0% (1999)</td>
</tr>
<tr>
<td>Co-op Italien (I)</td>
<td>&lt; 200</td>
<td>0.5% (1998)</td>
</tr>
<tr>
<td>Esselunga (I)</td>
<td>&lt; 200</td>
<td>?</td>
</tr>
</tbody>
</table>

Sources: Own studies; ZMP Ökomarkt Forum, several volumes 2000/2001
A study among leading European retail chains by FiBL in 2000 concerning marketing activities with organic products revealed that retailers with very passive strategies for selling organic products were a key factor for the differences in market penetration of organic products in European countries. In each country analysed we found retailers with relative high sales shares of organic products and on the opposite site, retailers with very simple marketing efforts and less success in sales. However, only in countries like Denmark, Switzerland or Austria, where the market leaders of food sales use very active strategies to sell organic products, certain advances in organic market penetration could be observed. Based on interviews with managers, we were able to distinguish between retailing companies with high and low profits from selling organic products. An analysis of the kind of marketing instruments implemented allowed us to show the likely relevant success factors for selling organic products in supermarkets (RICHTER et al., 2000a):

- a maximum number of articles in the organic assortment (at least 400-500),
- no strongly advertised integrated product line next to compete with the organic line,
- the central position of the organic line in the companies communication strategy,
- the clear visibility of organic products at the point of sale,
- the knowledge and motivation of sales people concerning organic products,
- the visual quality of products and packaging and the attractiveness of presentation style.

In comparison to the listed attributes, the differences between organic and conventional prices were less relevant for achieving high profitability in selling organic products. This suggests the following thesis, that the price difference will be a limiting factor for organic market growth, first when other marketing factors, which support the knowledge, credibility and attractiveness of the organic line are optimised. This also would explain the Danish case, where household panel studies revealed a significant price/demand elasticity (WIER, 2000). Parallel to the WIER-study in Denmark, the FiBL-supermarket study in this country revealed that the two leading retailers, in contrast to other European countries, provide an almost excellent marketing performance for organic products. We have to be clear, that in most European countries not only price matters limit consumer demand. In the following paragraphs the likely reasons for the revealed results in the FiBL-supermarket study will be discussed. Afterwards a few recommendations to stimulate organic consumption by improvements marketing approaches will be presented.

A) PRODUCT MANAGEMENT

It seems to be clear, that a well managed product policy is the key to meeting consumer demand. Product policy should take into account three aspects, the volume, the structure and the quality of the organic assortment. In supermarket chains, where only a basic assortment of 100-200 organic, mainly dry products exist, often the assortment doesn’t take into account the consumer preferences for mainly fresh products. The time when the majority of organic buyers combined their preference for organic products mainly with an healthy nutrition with cereals and wholefood products seems to be over. A consumer study of RICHTER et al. (1999) in Germany, Switzerland and France, as well as a consumer study of the German CMA, confirms that consumers with normal consumption profiles would prefer mainly fresh products in organic quality, like fruits, vegetables, eggs, milk/milk products, rather than dry products.
On the basis of in-depth interviews with retailer those persons responsible for the organic lines in Germany, it was shown that the retailers idea of a simple, cost orientated product management dominated the considerations of product policy in many German retail chains (DIENEL, 2000). Dry assortments, which mostly are available in sufficient quantities and additionally have a relative long store capacity, are easier and more cost efficient to handle than fresh product groups, which require more handling efforts than the purchase of dry products in organic quality. Most fresh product groups are broadly dispersed, often not regularly available or in small quantities and can lead to high shelf losses (depreciation), when their relative short durability is over. Therefore, to sell a broad assortment of organic fruits and vegetables, a well established and regional level logistic system with a minimum number of sales people is required. However, in practice retailers reduce the number of sales people and the distribution systems of retailer become more national in focus.

Certainly, consumers will not respond with enthusiastic sales activities, when the retailers organic assortment doesn’t meet their specific needs. However, due to these product management deficits and distribution limitations, it is absolutely wrong to believe that there is no real consumer interest for organic products or consumers probably are not willing to pay higher prices for organic products, like some sceptical retailers or scientists argue. They are just no willing to buy products that they don’t want to consume.

Another aspect concerns the placement of the organic lines in the entire assortment. When there is a competition line of integrated products, which are more strongly advertised than the organic line, organic products will remain in their niche edge (like in France or Italy), because the consumers will believe they can get nearly the same environmental or health standard with IP products as by organic products, but by spending half the money. The Swiss case provides the evidence, that with a changed importance of the two environmental lines, as happened in the end of the 90es on retailer “Migros”, organic products will clearly gain market share.

With regard to the requested characteristics of the organic assortment, it will be not sufficient, when the organic sector is able to provide an organic alternative for most products. Moreover, organic products have as premium products to fulfil the claim to be the quality and innovation leader on the supermarket shelf. When this claim is strongly considered in product development, it would support a broader consumer acceptance, including segments which are not primarily convinced organic buyers.

B) COMMUNICATION MANAGEMENT

Organic products have an image as expensive products. On the other hand, most of the assumed beneficial attributes can’t be evaluated directly by most consumers them selves (e.g. organic products are healthier or more tasty than conventional ones; organic farming active contributes to animal welfare, bio-diversity or landscape maintenance). Furthermore, consumers have to trust that all promised advantages of organic farming standards are implemented and strictly controlled. Therefore, either consumers believe/trust the assumed advantages of organic products or they will feel only the price disadvantage. These specific characteristics of organic product marketing show how important the kind and intensity of communication is for the consumer conviction and market development of organic products.
When average consumers in Germany are asked about their attitudes concerning organic products they will probably respond with two frequently used questions:
1. Where can I buy organic products and how do I recognise them?
2. Who guarantees, that I would buy a real organically produced product?

Both questions could be answered clearly, because there are strict standards for organic production and inspection and also to label organic products with the exclusive term “organically produced”. The only problem is that neither the government nor the organic farm associations nor the retailers communicate these facts intensively and clearly. Reports in the media often pick out the negative examples about organic production and certification and generalise from them.

Consequently, consumers in many European countries still have just a rough idea about organic production, but not a substantial knowledge (e.g. that the term “organically produced” is connected by strict rules). Due to the missing knowledge and biased media awareness it can be assumed that mistrust in organic label programs, observed in some consumer studies, is the result of passive communication or the often confusing use of the “organic” term by many market actors.

For instance, in Germany the producer of a conventional yoghurt writes with large letters on the packaging “Öko-Becher” (Eco-Cup) and actually only means, that the package has good recycling characteristics. Over a long period also the brand “Bioghurt” in Germany was used by another dairy company, which simply wanted to symbolise that the yoghurt contains pro-biotic substances. Further negative examples, observed during the supermarket study in Germany, were sales areas in outlets decorated with organic signs but where no organic product could be found. Last but not least a German retailer advertised, in a weekly customer leaflet, organic apples under their organic brand and added under the brand “from integrated production”. All these examples illustrate reasons for consumer confusion. They illustrate clearly deficits and the need for enormous efforts to improve communication quality and intensity.

Three possible actor groups are able to tackle this problem, policy makers or a national umbrella organic farming association by using and strongly advertising a common organic label nation wide or retail chains by actively promoting their own organic label. In cases like Germany, where neither a strong farm association nor a national retail chain promote such a label actively, a relatively deep mistrust concerning organic label programs can be observed, like documented in a consumer survey in 1997 (see figure 1).

But there are also positive examples in Europe like in Switzerland, Denmark, Austria or Great Britain, where the organic product programs will actively be advertised by the leading retail chains or by the government directly or indirectly. In some cases organic lines are even the flagship of the enterprise communication of retail chains in these countries. However, when national leading retail chains are not willing to invest in a comprehensive organic product line and in advertisement, governments should support the introduction of a common national organic label (regardless, if it is privately or governmentally owned) and fund advertising, information campaigns and the market introduction.
I have heard so much negative information about label programs, I also wouldn’t trust organic label

<table>
<thead>
<tr>
<th>% 0,0</th>
<th>10,0</th>
<th>20,0</th>
<th>30,0</th>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- agree completely
- agree mostly
- agree partly
- agree less
- disagree

Figure 1: Consumer Trust/Mistrust in Organic Label Programs, documented during a Consumer Study in Hypermarkets in Parts of Germany, Switzerland and France in 1997; Source: RICHTER et al., 1999

Apart from a strong theoretical part of communication contents about standards, inspection and certification or the quality benefits, communication to consumers should also transport emotional messages. Advertisements for most conventional premium food products today are mainly emotional and seldom functional. They promise fun, exclusiveness, a good feeling, positive emotions or social acceptance. When communication for organic products only focuses on information parts, it will reach the most highly involved or sceptical consumers, but will not reach big group of consumers, who evaluate organic products as boring as long they would feel no risk in buying conventional food. Thus, communication especially to reach young consumer groups, should also symbolise fun and a positive lifestyle. Normally, the big owners of strong trademarks advertise their products adapted to consumer wishes and expectations. The organic sector in most European countries up till now has neither well known and strong organic brands, nor organic products that are sold and advertised by big and financially potent companies.

The demonstrated aspects of communication potentials are aimed exclusively on the strategy level. However, the FiBL-supermarket study in 2000 also revealed, that despite some smart marketing strategies, their implementation at the point of sale was often poor and not implemented by the sales people. Often, instruments to sign shelf areas with organic products are not used. Therefore, in many cases, an organic range of 200 products has low profile life in hypermarkets with more than 20 000 articles. Store checks, which we conducted during the FiBL supermarket study, revealed that in many cases sales people have no idea about organic products or even argued that they don’t trust the organic production themselves. Therefore, we think that the level of education and above all of motivation is a main selling barrier for organic products in supermarkets.
RECOMMENDATIONS

Actually, no any new recommendations to the market actors or politicians have to be given, this has been done before in numerous books or articles, written by HAMM, SYLVANDER or LAMPKIN in the last few years. The implementation in most retail chains of observed individual successful marketing approaches that we observed in the European FiBL-supermarket study in 2000 would lead to a clear increase of organic sales in Europe. Therefore in the final paragraph I would like just to compile, structure and rank possible measures.

To reach 10-20 % market share of organic products in Europe in the next 10 years the organic market has to be developed tremendously. Based on the opinions of the manager for organic lines in the evaluated retail chains during the FiBL-supermarket study, a market share of 5 % in the most European countries by 2005 seems to be realistic. However, to reach this medium term objective a clear acceleration of demand in the next years has to follow.

To accelerate organic sales, firstly a strategic question has to be answered. Which consumer groups buy the most organic products in relation to their frequency with which they buy organic products? The answer to this question allows us to define the priority marketing groups for the next years.

Generally, consumers can be distinguished between interested or not interested in organic products. Not interested consumers probably will not or just accidental buy organic products. Interested consumers will probably buy regular or occasional organic products. However, it can be assumed also a considerable high number of interested people, which actually are interested in organic products, but not buy them, due to the listed marketing deficits before. Studies shows, that only a very small consumer group can be considered as regular buyers (see graph 1).

<table>
<thead>
<tr>
<th>Not Interested Consumer</th>
<th>Interested Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Buyers</td>
<td>Occasional Buyers</td>
</tr>
</tbody>
</table>

Graph 1: Rough scheme of consumer groups, related to their attitude and buying behaviour concerning organic products

A first strategy to support the organic demand could be, to convert the not interested consumer and interest them in organic products, mainly by communication measures. An alternative strategy could be, firstly to reduce the existing marketing deficits and convert nearly all interested consumers to at least occasional buyers. A third strategy could be to transform occasional buyers to regular buyers by adequate marketing measures.

In the last few years in Europe, the small group of regular organic buyers bought the highest share of all sold organic products. A study of the market research company TAYLOR-NELSON/SOFRES (TNS) in the UK revealed that 7 % of all organic buyers buy 57 % of all organic products (SOIL ASSOCIATION, 2001). A study, conducted by the British retail chain “Tesco” revealed that 8 % of the organic buyers buy the half of the organic products (see figure 2).

<table>
<thead>
<tr>
<th>Share Organic Buyers</th>
<th>Share Organic Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 %</td>
<td>20 %</td>
</tr>
<tr>
<td>8 %</td>
<td>50 %</td>
</tr>
<tr>
<td>12 %</td>
<td>30 %</td>
</tr>
</tbody>
</table>

Figure 2: Proportion of the organic sales by different groups of organic buyers in the United Kingdom (2000); Source: “Tesco” (UK)

In most other European countries a similar relation can be expected. Therefore, it seems to be worth the efforts firstly aim to enlarge the frequency and volume of organic sales amongst the occasional buyers. With similar measures, interested consumers could also be convinced to try organic products. In a second step, less involved or uninterested people could be encouraged to note the differences between conventional and organic farming by targeted campaigns.

The first step aims to reduce the marketing barriers for interested, but not completely convinced, consumers. Above all, an enlargement of the organic assortment through increasing the share of fresh products and trend products (like convenience or functional food) would make the organic supply in supermarkets more attractive for a higher number of interested consumers.

Furthermore, in order to get a higher consumer acceptance, the quality of organic products has to be improved and standardised by quality assurance and quality research. Quality research could be stimulated trough policy measures.

Thirdly, the availability of a broad organic assortment in the majority of retail outlets and wishing to increase the visibility and clear signage of organic products on the shelf would reduce an important buying barrier. Parallel to these measures, the sales people have to be better educated about organic products and motivated by the companies management to sell organic products more convincingly. Policy could support education measures, which could be conducted by farmers, farm advisors, processors and public funded marketing associations. Further, in countries like Germany, with a confusing number of different organic labels and used “green” terms and where the leading retailer is not willing to promote organic products actively by themselves, the government should steer the introduction and promotion of a common organic label.

All the measures listed would clearly enlarge the organic consumption without any price variation. Price differences will become a crucial factor for market growth acceleration on
transparent and advanced/matured markets, where all other factors are quite optimised (like Denmark). In this state, the reduction of price differences between organic and conventional products would increase the organic consumption to a next higher level. Through a higher difference in public direct payments between single environmental measures and the organic production (as a holistic environmentally orientated farming approach), the differences in production costs could be reduced and the price difference would be lower under conditions of a proportional market growth and competition between actors.7

The second consumer group (not or low interested people in organic products) can be characterised often as people with low involvement in buying and food consumption generally (RICHTER, 2001). They have to be stimulated by hard facts about the concrete benefits of organic products/farming or by emotional messages with strong stimuli. Periods of food scandals, which can be directly linked to conventional farming methods, should be used to deliver information and make these consumer groups more aware of the differences between organic and non organic production. Furthermore, the natural sciences have to look for more significant facts about the advantage of organic farming and food, which can be used in promotional communication. In order to reach younger consumer segments, who are often low involved buyers, all possibilities for combining organic farming with main stream trends should be used (e.g. link to functional or convenience food). Additionally, communication to young consumers should provide content, which are able to reach younger consumer groups (e.g. tell funny stories about the lives of happy cows/pigs).

Finally, to promote the process of making low interested/involved consumer groups more sensitive to organic farming, European governments should send adequate signals by a clear communication strategy, promoting exclusively organic products.

Notes
6 Switzerland as a narrow non export country for organic products in Europe is a fit example to illustrate the differences between the share of organic production and organic sales. Whilst in 2000 in Switzerland app. 9 % of the UAA is under organic production, the share of organic sales remains low on 2,1% (despite high import rates on organic grain and fruits).

7 Parallel to this the establishment of adequate networks between producers, wholesalers, processors and retailers should be strongly accompanied by governmental support. Otherwise a dramatic over supply situation could destroy a sustainable market growth.

References cited:
HAMM, U; J. Michelsen; E. Wynen; E. Roth (1999): The European Market for Organic Products: Growth and Development
Mr. Ulrich Hamm (DE)

**Promotion Strategies and Arguments for Organic Food in European Countries**

The results of an analysis of the European markets for organic food (see Michelsen et al. 1999) have shown that markets in general are very small, but with extraordinarily high growth rates. Most market researchers in European countries have no doubt that consumers demand for organic food will grow rapidly in the next years. A lot of European countries support production of organic foods through subsidies for organic farmers. However, this production oriented policy can only be successful, if market structures and marketing channels are able to cope with a rapid increase of supply and if market actors adapt products, sales channels and prices to the demand of consumers (see Hamm and Michelsen 1996). A crucial point for a lasting growth of the market and for realising the full potential of consumers demand are communication strategies of the market actors. Especially in periods when consumers have a feeling of uncertainty in buying conventional food because of BSE and several food scandals, it is essential that the actors in the organic market communicate the benefits of organic agriculture as an alternative to conventional food. In the following I like to point out six crucial subject areas of communication strategies for organic food.

(1) As long as consumers have doubts whether an offered organic product has been really produced organically, they will not be ready to pay premium prices for organic food.

In our analysis of the European market for organic products we have identified some European countries where a lot of consumers interested in buying organic food have
doubt traders’ assertions that the organic products they are offering are really organic. As long as a consumer has these doubts, he will not pay higher prices for organic food than for other food products. This subjective problem of consumers contradicts the objective state of affairs, because the EU-Regulation 2092/91 takes care of the right labelling of products. The problem is that many consumers in European countries do not know anything about this EU-Regulation. So, a first weak point in communication with consumers is information about the security the EU-Regulation 2092/91 provides to ensure that offered organic products are produced under the strict standards of organic agriculture.

(2) As long as consumers have problems to identify organic products in the market because they are confused by a large number of different brand names or trade-marks for organic products, the market potential for organic products will not be met.

Consumers in some European countries, e.g. in Germany and Italy, have problems to identify organic products in the market because they are confused by a large number of different brand names or trademarks for organic products (see Hamm 1999). In Germany, we have more than 100 trademarks for organic products. There are several possibilities to put an end to this confusion of consumers:

- The simplest way would be to communicate a common EU-wide logo for organic products that can be used in addition to private trademarks. Only insiders know that we have such an EU-wide logo (see figure 1). But this logo has two main problems: First of all this logo can easily be mixed up with other EU-logos for traditional specialities, for protected geographical indication or for protected designation of origin. Secondly, the EU-logo for organic farming was never communicated to consumers in broad public relation campaigns. If a logo is not known in the public it is of no practical value.

Figure 1: Logos for Food Products in the European Union

- As there is no well-known EU-label for organic products, market actors in European countries have developed different strategies in implementing a common label for organic products on a national level. In Europe we can distinguish between four kinds of common national logos for organic products (see figure 2): governmental logos (e.g. in Denmark and France), logos of semi-governmental marketing associations (e.g. in Austria and Germany), logos of umbrella organisations for organic agriculture movements (e.g. in Belgium and Switzerland) and logos of private certification bodies for organic products (e.g. in the Netherlands and Sweden). In general we can state, that the governmental logos of Denmark and France, which can be used without additional costs by suppliers, are very successful in their national markets; most of the organic products offered are labelled with these logos and more than 75% of all consumers know their national logo for organic agriculture (Agra-Europe 2001). Labels of private certification
bodies for organic products, which are usually also free of additional charge, are well-known to consumers in the Netherlands and Sweden. However, the use of the other two kinds of logos are charged for by the umbrella organisations or by the national marketing associations. The logos of umbrella organisations for organic agriculture movements, as Biogarantie of Belgian BioForum and the “Knospe” of Bio Suisse, which were introduced long time ago, are - compared to the logos of national marketing associations - well-known. But there is a tendency that their importance will decline in the next decade, because these organisations do not invest enough financial resources in the communication of their logos. Powerful supermarket chains in these countries, as Delhaize in Belgium, Coop and Migros in Switzerland, Billa in Austria, Rewe and Metro in Germany, tend to communicate only their trademark without the common logo for which they have to pay additional costs. From the EU-Commission’s point of view, another serious problem of these national common logos is that their utilisation is connected with different national standards in addition to the EU-Regulation 2092/91 so that they can be used (and have been used) to hinder international trade. Apart from that, foreigners (e.g. tourists) have to know all national logos if they want to buy organic products in another country.

Figure 2: Common Logos for Organic Products

(3) As long as consumers who are interested in buying organic food cannot find the shops, where these products are offered, demand will be limited. In some European countries, where organic products are mainly sold by smaller and specialised shops, as e.g. farm shops, organic food shops, health food shops, etc., consumers have problems to find these shops. As most of the shops have low turnovers and profits, they do not invest in greater efforts to increase the degree of their familiarity. A solution could be to build up regional associations for advertising and public relation campaigns where to buy organic products.

(4) As long as consumers cannot find (a few) organic products amidst the wide range of products in conventional supermarkets, the sales potential will be limited. In conventional supermarkets with a small range of organic products between a wide
range of conventional products and where no or only small advertising and sales promotion campaigns for organic products have been conducted consumers have problems to find organic food. There are several possibilities to make it easier for consumers to find organic products in the shops, as:
- placement of all organic products en bloc,
- placement of some organic products en bloc (e.g. fruit and vegetables or cereals),
- conspicuous labelling and signs that lead consumers to the products in the different shelves,
- displays in addition to the shelves.

Because of the requirements of space the placement of all organic products en bloc is done very seldom by conventional supermarkets. However, the placement of parts of the organic product range en bloc has several can be seen in several supermarket chains in Europe, especially for fruit and vegetables (e.g. Delhaize in Belgium, FDB in Denmark, tegut in Germany, ICA in Sweden, COOP in Switzerland, Waitrose and Sainsbury in the UK). Besides the fact that the products could be found easier by consumers this placement en bloc has several advantages. The main advantages are that price differences between conventional and organic products are not so obvious for consumers and that promotion activities as e.g. the distribution of sales folders or tastings can be adjusted better to the target group.

As long as consumers do not know which benefits they will have when buying organic food, they will not spend more money for organic food. In several European countries, suppliers of organic food do not spend much money for promotion campaigns, either for public relations or for advertising or for sales promotion activities. While bigger food firms spend between 5% and 10% of their turnover for communication campaigns, most of the smaller organic suppliers invest much less than 1% of their turnover for communication. But there is a need for suppliers of premium products to have a communication budget appropriate to premium products. If no one knows about the benefits of products and services, no one is ready to pay premium prices.

As important as the amount of the financial budget for communication strategies are the communication arguments for organic food. A lot of organic suppliers have adjusted their communication arguments only to existing consumers of organic food and their main motives to buy organic; in most European countries the main motives are health and environmental protection. But promoting only a few arguments is risky, especially if one of the main arguments, as environmental protection, becomes less important to parts of the population. Apart from that, it will be hard to get new consumer groups buying organic products, because these consumers could have other preferences and judge food with other criteria than the regular buyers of organic food today. I want to illustrate this with results of a representative consumer survey in a federal state of Germany (see Müller und Hamm 2001). Looking at the characteristics of food products that are important for German consumers (see figure 3), you can see that freshness and a good taste are the most important characteristics and that nearly all requested food characteristics are more important for consumers than the characteristic "organic product". But organic food has benefits concerning a lot of important characteristics for consumers, as better taste, low chemical residues, high standards of animal welfare,
produced without genetically modified organisms, a high degree of naturalness, etc. This means that organic suppliers have to communicate these benefits of organic food to the consumers to get a higher value of their products in the consumer’s mind. And a supplier has to translate these attributes into functional and emotional benefits for the consumers (see Kotler 1997). Finally, it has to be communicated that organic food and organic agriculture represents a certain culture.

Figure 3: Rating of Food Characteristics

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<th>Mean Value</th>
<th>Description</th>
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<td>freshness</td>
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<tr>
<td>4.7</td>
<td>good taste</td>
</tr>
<tr>
<td>4.4</td>
<td>appetizing appearance</td>
</tr>
<tr>
<td>4.4</td>
<td>low chemical residues</td>
</tr>
<tr>
<td>4.3</td>
<td>rich in vitamins and minerals</td>
</tr>
<tr>
<td>4.3</td>
<td>supporting personal health</td>
</tr>
<tr>
<td>4.2</td>
<td>price</td>
</tr>
<tr>
<td>4.1</td>
<td>high standards of animal welfare</td>
</tr>
<tr>
<td>4.1</td>
<td>environment-friendly package</td>
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<td>4.1</td>
<td>free of genetically modified organisms</td>
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<td>low in fat</td>
</tr>
<tr>
<td>3.7</td>
<td>long life</td>
</tr>
<tr>
<td>3.6</td>
<td>organic product</td>
</tr>
<tr>
<td>3.6</td>
<td>low in calories</td>
</tr>
<tr>
<td>3.6</td>
<td>integrated agricultural product</td>
</tr>
<tr>
<td>3.5</td>
<td>simple and quick preparation</td>
</tr>
<tr>
<td>2.7</td>
<td>brand</td>
</tr>
</tbody>
</table>

(n = 922)

1 = total unimportant, 2 = quite unimportant, 3 = neither/not, 4 = quite important, 5 = total important

Source: Müller / Hamm 2001

Another interesting point is the question for what kind of special product characteristics consumers are willing to pay higher prices (see figure 4). In Germany (see Müller and Hamm 2001), more than 30% of all consumers are willing to pay premium prices for keeping animals more natural and for a better taste of products. Another third of the population is tending to accept higher prices for these quality characteristics. The stated willingness to accept higher prices for organic products is much lower for organic products. This illustrates that a lot of consumers does not know that the standards for organic production include very high standards for animal husbandry and assuring animal welfare, because these standards have not been communicated to German consumers. It should also be of interest that the stated consumers willingness to pay premium prices for foods with probiotical additives is much lower. But the prices for yoghurts or fruit juices with probiotical additives in Germany are higher than for organic products and the market share of only one probiotical yoghurt (Nestle LC1) is higher than for all organic yoghurts together. This shows the great importance of promotion campaigns, as Nestle has invested millions EURO in their campaigns in the last years,
while all organic dairies in Germany have not invested a tenth of that amount. If organic suppliers want to get premium prices for their products, they have to point out all premium benefits for their products in powerful promotion campaigns.

Figure 4: Rating of Statements Concerning the Willingness to Pay for Premium Qualities

<table>
<thead>
<tr>
<th>Statement</th>
<th>Total Agreement</th>
<th>Partly Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am ready to pay premium prices for food with premium taste.</td>
<td>30,3</td>
<td>36,1</td>
</tr>
<tr>
<td>I am ready to pay premium prices for food produced in holdings regarding high standards of animal welfare.</td>
<td>32,4</td>
<td>29,0</td>
</tr>
<tr>
<td>I am ready to pay premium prices for organic food.</td>
<td>20,8</td>
<td>18,9</td>
</tr>
<tr>
<td>I'll pay premium prices for regional food.</td>
<td>12,4</td>
<td>25,8</td>
</tr>
<tr>
<td>I'll pay premium prices for a guaranteed freshness.</td>
<td>10,6</td>
<td>24,8</td>
</tr>
<tr>
<td>I'll pay premium prices for food with a quality label.</td>
<td>10,6</td>
<td>18,0</td>
</tr>
<tr>
<td>I’ll pay premium prices for food with added healthy ingredients like vitamins or probiotics.</td>
<td>5,4</td>
<td>20,5</td>
</tr>
</tbody>
</table>

\[ n = 922 \]

Source: Müller / Hamm 2001

There are several possibilities to convince consumers by promotion activities that organic food has premium quality. Concerning the taste, as one of the most important quality aspects of food, high level sales promotion activities for organic food are e.g. taste testing actions in the shops or the offer of a cash-back-guarantee, if a consumer is not satisfied with the taste. Such a cash-back-guarantee, as the highest level of a convincing promotion strategy, signalises consumers that the supplier must be very sure that he offers products with a premium taste.

(6) As long as salespersons are not themselves convinced that organic products have several advantages and premium quality, they cannot convince consumers so that the sales potential will not be met.

Especially in conventional supermarkets with a high fluctuation of salespersons, organic suppliers have the problem that they have to hold a lot of training courses for salespersons to make them familiar with organic production methods. Therefore, a lot of organic suppliers argue that training courses for salespersons in supermarkets are too costly and they refrain from offering such courses. However, the worst thing that could happen to an organic supplier is that an uniformed salesperson, who is asked by a consumer why a specific organic product is so expensive, answers: “I don’t know, but if you are looking for a cheaper product take this (conventional) one.” Another version of an answer from a salesperson who was trained and has visited an organic farm could be: “Oh, I have seen a farm where these products come from. The cows are grazing on wide meadows with a lot of different herbs, the baby calves only get fresh and safe milk, the farmer does not use any pesticides, there is no use of any artificial additives for
processing and the taste of that cheese is fantastic, it has a smell of the fresh herbs in the meadow” and so on. Training courses for salespersons with visits of organic farms are without doubt rather expensive. But these training courses can be very efficient, because salespersons in shops are a more credible source for many consumers than professional models playing roles in advertising campaigns. Advertising campaigns are necessary to attract enough attention and interest for organic products, but if a salesperson does not contribute to sell organic food in the shops, the largest part of the money for an advertising campaign is down the drain.

SUMMARY
Communicating with the consumer must be a central point of an European Action Plan for organic agriculture. No consumer will be ready to pay premium prices for organic products (or taxes to support organic agriculture), if he is not informed about the benefits of organic agriculture, if he is not sure whether an organic product is really organic, and if he cannot find organic products in the market. An action plan should include:

- An information campaign about the security the EU Regulation 2092/91 and following regulations provide to consumers that offered organic products are really produced under the strict standards for organic farming methods,
- the introduction of a new EU-logo for organic products which is easily distinguishable from other logos,
- broad public relation campaigns to make the new EU-logo for organic products well-known to the majority of consumers in all EU-countries,
- communication campaigns about all the benefits of organic products and organic farming according to the production standards and results from research studies,
- financial support for organic suppliers which invest in general communication campaigns for organic products and in training courses for salespersons.

Notes
8 In Germany, the “Centrale Marketinggesellschaft der deutschen Agrarwirtschaft (CMA) and the national umbrella organisation for organic agriculture movements, the “Arbeitsgemeinschaft ökologischer Landbau (AGÖL)”, are associate partners for the “Öko-Prüfzeichen”-logo.
9 Besides of other problems, this is one of the main reasons, why German suppliers do not want to use the “Öko-Prüfzeichen” (see Zenner und Wirthgen 2001).
10 In Switzerland the level of consumer knowledge of the supermarket labels of Coop and Migros is significantly higher than that of the Bio Suisse label (see Richter 2001).
11 A good example for a pilot system that leads consumers to organic products has been installed in supermarkets of the Bremke & Hoerster group in Germany in 2001 (see http://www.oepzframe_li/04_presse/01_akt/010329_familia.html).

Literature
Mr. Urs Niggli (CH)

Stimulating the potential for innovation in organic farming by research

Urs Niggli¹ and Helga Willer²,

¹Research Institute of Organic Agriculture (FiBL), Frick/Switzerland, ²Stiftung Ökologie und Landbau / Foundation Ecology & Agriculture (SÖL), Bad Dürkheim/Germany

1. INTRODUCTION AND HISTORY OF ORGANIC FARMING RESEARCH

Organic farming research has been developed over 4 stages: i) Pioneer farmers and scientists, ii) pioneer private research institutes, iii) organic farming chairs at universities and finally iv) organic farming projects and institutes at state research institutions (figure 1). Today, organic agriculture has become finally accepted within agriculture and food research. Some of the key players in organic research in Europe are mentioned in table 1. Mainly in Europe, public funded research has shifted towards organic farming, whereas the research resources for conventional farming have been cut down considerably

Figure 1: Development of organic farming research in a historical context.

<table>
<thead>
<tr>
<th>Organic Pioneers</th>
<th>Private Institute</th>
<th>Universities</th>
<th>State R &amp; D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biodynamic</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Key players in organic farming research
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The Pioneers

Philosophical extension of research:
Rudolf Steiner, Ehrenfried Pfeiffer, Lili Kolisko

Criticism of science:
(Samuel Hanemann), Eve Balfour, Hans-Peter Rusch

Agro-ecological approach:
Raoul Francé, Albert Howard, Franz Sekera, Eduard von Boguslawski, Jean Boucher

The private research institutes

Research Institute of Biodynamic Agriculture, D (1954)
Research Institute of Organic Agriculture (FiBL), CH (1974)
Louis Bolk Institute, NL (1976)
Rodale Institute, USA (1947, research activities since 1976) (USA)
Elm Farm Research Centre, UK (1982)

Organic Chairs at universities and agricultural colleges

Germany: Kassel-Witzenhausen, Bonn, Gießen, Nürtingen, Osnabrück, Hohenheim; coordinators of at the universities of Munich and Stuttgart

Austria: University of Vienna
Denmark: KVL, University of Copenhagen
Netherlands: University of Wageningen
Sweden: Swedish Agricultural University
UK: Institute of Rural Studies, The University of Wales Aberystwyth, Scottish Agricultural College (SAC)
Hungary: Universities of Budapest and Gödöllő
Poland: University of Warsaw

State R&D

Denmark: Danish Research Centre for Organic Farming, DARCOF, Foulum
Finland: Research Station for Ecological Agriculture, Partala
Sweden: Centre for Sustainable Agriculture, CUL, Uppsala
Norwegian Centre for Ecological Agriculture, NORSOK, Tingvoll Gard
UK: Ministry of Agriculture and Fishery (MAFF), 54 projects at universities, colleges and state or recently privatised institutes
NL: Research projects carried out by conventional research institutes.
Austria: State research institutes at Gumpenstein and Linz
France: Institut National de Recherche Agronomique, INRA
Swiss Federal Research Station for Agroecology and Agriculture, FAL, Zürich

Germany: Bundesforschungsanstalt für Landwirtschaft, FAL, Trenthorst; numerous research project as regional state research stations

2. FURTHER STIMULATION BY RESEARCH IS CRUCIAL

Several recent review papers have dealt with the needs and priorities of research activities in organic farming (Niggli and Willer 2000, Padel 1999, Willer and Zerger 1999,
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Wynen 1998, Hoeoek 1997, Niggli and Lockeretz 1996). Because agricultural research has neglected organic farming for decades, presentations of research needs turn out to be long lists of top priority.

Organic farmers face the same problems as conventional ones do. ‘Unfortunately’, however, organic farming takes a more integrative - and therefore more time consuming - approach to resolving them. Considerably less private-sector research support, such as from pesticide and seed companies, is allocated to organic farming. Therefore, research has the potential to be the crucial factor driving organic farming quickly and substantially forward. It is pure nonsense to discuss the productivity and economic and ecological performance of organic farming before stimulating its potential by strengthening and reassessing national and EU research activities.

To judge research priorities properly, the following questions have to be considered (see also table 2):

- What impedes the fast growth of organic conversion - locally, regionally and globally - most? Focus: Production techniques, economic optimisation strategies.
- What could endanger the market success of organic food? Focus: Quality, food safety.
- What is needed for the long-term and sustainable progress of organic farming? Focus: Ethics, animal welfare, genetic resources, landscape and biodiversity, social issues.

Table 2: How to judge research priorities?

<table>
<thead>
<tr>
<th>Criteria, goals</th>
<th>Fields where activities are need (1= highest priority)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast growth to 20 or more percent of land area.</td>
<td>1. Arable crops (reducing labour costs! weeding! plant protection! productivity!)</td>
</tr>
<tr>
<td>Ensuring market success (food scares, good image, quality)</td>
<td>2. Horticultural crops (plant protection! varieties! labour costs! quality and marketing!)</td>
</tr>
<tr>
<td></td>
<td>3. Non-ruminants (nutrient cycles! protein supply! appropriate housing! breeding! free range systems!)</td>
</tr>
<tr>
<td></td>
<td>4. Ruminants (tethering! utter diseases! endoparasites! breeding!)</td>
</tr>
<tr>
<td></td>
<td>5. Grassland</td>
</tr>
<tr>
<td></td>
<td>6. Economic Aspects</td>
</tr>
<tr>
<td></td>
<td>7. Policy advice (optimal support instruments for organic agriculture; research into ecological, economic, social advantages of organic farming and optimisation strategies)</td>
</tr>
</tbody>
</table>

- Ruminants (BSE! Antibiotics! milk quality! Tethering!)
- Horticultural crops (plant protection! copper! High external input instead of closed cycles! N-management! Sensorial and cosmetic quality)
- Labour situation/fair trade issues (casual labourers from the South and the East!)
- Non-ruminants (nutrient cycles not closed! Protein feed supply! inappropriate housing! Intensive use of chemical remedies!)
- Arable crops (nitrates! mycotoxins! missing crop rotation! Soil compaction--> soil erosion!).
- Nature conservation (no minimal requirements in the standards).
- Grassland (too intensive use, no biodiversity)
- Processing (diversification of product range, sensorial quality; GMO)
3. STICKING TO THE INHERENT METHODOLOGICAL APPROACH OF ORGANIC FARMING RESEARCH

Further progress in organic farming cannot be obtained by improving or changing ‘vertically’ single parts of the landscape, the farm or the individual production technique without regard to the horizontal interactions and the fragility of agro-ecological systems. Therefore, organising organic farming research within the currently completely segregated agricultural research structures is not appropriate - indeed, such an approach may even be lethal to organic farming. The prerequisite to strengthening research in this field is to have strong and efficient core structures or schemes (national or regional hubs) which support specialists in complex research programmes. These hubs can be organised as a leading institution, as a permanent forum of researchers or as a strongly facilitating secretariat (see table 4).

Table 4: Different ways of organising organic farming research by appropriate structures (hubs)

| Danish Research Centre for Organic Farming (DARCOF), Denmark | Research institute “without walls”, research secretariat which co-ordinates projects carried out at conventional research institutes (universities, state centres, private institutes) financed by a R&D programme of the ministry. |
| Louis Bolk Institute, Netherlands | Researchers of the private pioneer institute Louis Bolk are involved as external experts in all organic farming research projects of conventional institutes in Holland. Some of the projects are carried out directly at Louis Bolk Institute. |
| Research Institute of Organic Agriculture (FiBL), Switzerland | Most of the research in organic farming in Switzerland is done at the private pioneer institute FiBL. Research projects cover all disciplines. Projects are often multidisciplinary. Extension (advisory work) is under the same roof as research. |
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Colloquium of Organic Researchers (COR), Kingdom
A loose platform of committed organic farming researchers from private institutes, universities and state R&D dedicated to discuss methodological United Kingdom issues, to co-ordinate priority setting and to induce concerted projects.

Research initiative organic farming (FiÖL), Germany
A project of 5 leading research institutes with a common professional secretariat co-ordinating a permanent platform as it is described for COR (see above). Project in application.

Methodologically, organic farming research distinguishes itself from conventional research by:
1. Applying consistently multidisciplinary approaches to solutions.
2. Integrating stakeholders (farmers, consumers, nature conservationists, processors) into research (participatory approach).
3. Re-scaling continually the focus of research work in the same project (e.g. cell, plant, field, farm, region, market, policy).
4. Considering and deciding on long term impacts (economy, ecology, health and social welfare).
5. Considering individual, social, ethical and philosophical frameworks of agriculture and food in addition to natural science.

Because of these methodological differences, organic farming research proposals often do not match the criteria of research funds. This partly explains the high percentage of failed organic proposals. Without a major change of evaluation procedures, organic farming research will become ‘conventional’ step by step. To avoid competition between organic farming research and fundamental research in molecular-biology, separate programmes for organic farming research need to be set up. Such programmes ensure a level playing field for fair competition, namely between organic farming projects.

3. RECOMMENDATIONS AND CONCLUSIONS
8. On national as well as on EU-level, research funds should be directed substantially towards organic farming in order to improve the economic and ecological performance of organic farming. The impact of research funds is very high in this field of food production, because the potential of organic farming is only slightly exploited by research.

9. Integrating organic farming research into conventional research structures means disintegrating organic farming itself. Therefore, special attention should be given to how research activities are organised. National or regional centres of competence (hubs) are needed in order to provide and to maintain an appropriate quality of research. These hubs can be organised as real or virtual centres.

10. Evaluation procedures for most national and EU research funds do not consider adequately the unique approach and methodology of organic farming research. These
procedures have to be amended and evaluators have to be trained. A separate programme for organic farming R&D within the future EU frameworks is strongly recommended.

References

Mr. Bent Claudi Lassen (DK)
Research as a Tool for Development of the Organic Sector

Research is the tool to create new knowledge and hereby the starting point for future development. Visionary political decisions and targeted research programmes to fulfil the political, economic or other goals have many times in history shown, that we can move far ahead - and often far longer than we ever imagined. This is the case in technical sciences such as computers and information technology, spacecraft and renewable energy.

It is, however, just as important in agriculture - and here we have the same experiences. Only through willingness to invest in research we can improve agriculture and put forward the basic knowledge such as:
• reduce the impact of agriculture on the environment
• improve animal health and animal welfare
• improve the quality of food products
• increase the income of the farmers and add value to the whole production chain from farmers to consumers.

In general, national and international research programmes have generated an enormous amount of results, which contributes to improvement in farming and processing. But in relation to organic farming and food production we are still at the very beginning. In the agricultural “organic” research it is essential to achieve more basic and applied knowledge about pests and diseases, to prevent or reduce problems in the plant production and to obtain knowledge to improve the utilisation of plant nutrients and reduce losses through leaching and evaporation. Another very important area is the development of production of protein crops as the basis for further development in husbandry including fulfilment of the goal of 100 per cent organic feed.

It is also important to develop the basis for improvement of health and welfare of the animals. This includes development of housing and free range areas, nutrition etcetera. Another urgent problem to solve is food safety problems in animal organic farming. Finally, but very essential to hold the consumers interest, the quality of the products must be focussed in regard to presentation, nutritional value, taste, texture and processing properties.

Research can improve the basis for production of organic food to meet the very broad range of consumer expectations ranging from the direct quality of the products to environmental impact of production and animal welfare.

The research in relation to organic production has so far first and foremost been focusing on the primary production. This effort on primary production should be continued and increased in Europe in order to create the scientific basis for a further development of organic production. Not only in relation to organic farming but also to improve the sustainability of the whole agricultural sector by dissemination of the results.

We do, however, have to discuss how research to a greater extend could focus on the whole food chain including processed organic food and thereby support a specific organic food science. I see food processing, whether it is minimal processing or highly processed convenience food, as an important element of the future development of organic production.

The reason why I believe so is, that I expect consumers in an increasing market of organic products also will demand more processed organic foods. By focussing on processing we can bring the organic sector an important step further supplying both unprocessed foods directly to the consumers and processed food which are produced in accordance with the basic organic principles. This includes minimal processing and very restricted use of additives and technological processing aids etcetera.

What needs do we have for new specific knowledge in organic food science? The primary objective for organic food science is to increase our basic knowledge and under-
standing in order to be able to supply foods to the consumers of high eating quality, acceptable storage stability, high nutritional value, - and not to forget - safe foods. The needs for basic knowledge covers the whole food chain from raw materials to processing, distribution and consumption.

We have seen some interesting research activities on the border between agricultural science and food science - but it far from covers the needs. For example it has recently been found, that the chemical structure of organic products differs from the properties of conventional foods. This basic research must be continued and intensified in order to obtain a better knowledge regarding the chemical, physical and physiological properties of organic products.

Such results can
- guide us to develop better control and inspection methods,
- assist in the development of new processing technologies,
- improve the quality of the products - for example ripening of cheese and meat.

I will mention six basic research areas I find important:
The sensory science area is central for organic food science. I’m very pleased that basic research activities have now started in Denmark. Organic food often differs from conventional foods in relation to aroma, taste, texture and technological quality.

An example can be found in the dairy sector where we often see large seasonal variations of organic milk. This pose a scientific challenge in order always to make good and tasty processed dairy products. But we must at the same time remember that despite this tendency to variation and hence need of more careful handling and processing, it has potential for products with very high quality.

The second is food production and food quality. The basic research has to study how the choice of variety and cultivation practices influence and perhaps change the technological properties, texture, taste, aroma and storage stability of vegetables and animal products.

Processing technology comes next. This covers minimal processing technologies and very restricted use of additives etc.

The fourth area research should focus on is food safety, food preservation and packaging. This covers for example bioconservation, methods of storage and biodegradable packaging materials. This last area may not only reduce the environmental impact of the food production in a life cycle perspective, but also link the organic food production and non food production together.

The fifth area is a need of more research regarding specific nutritional and health promoting properties of organic foods.

The sixth is sociological research and hence the understanding of the consumers expectations and demands - and not to forget their actual behaviour. To secure the long term stable market development, it is necessary to ensure that the production methods are in line with the consumers expectations. This is especially important in regard to establishing the documentation for environmental or health claims.

Let me underline that consumer confidence is very essential and crucial for organic farming and organic production. For many consumers the credibility of the products and the production methods is the primary reason to choose organic products. In order to
maintain consumer confidence in the organic products, we need to deal intensively with the dilemmas, which are inherent in the organic food production.

I will mention four dilemmas:

- The first being the demand for fresh and unprocessed foods as opposed to the wish for products with an acceptable storage stability and the demand for convenience.
- The next dilemma is an environmental problem concerning the evaporation of ammonia as opposed to the wish of better animal welfare through outdoor production or deep litter systems in house.
- Aerobic composting of manure has traditionally been considered as the most correct - however to optimise the nutrient utilisation all organic farmers should use liquid slurry. This would also give the opportunity to improve the energy balance of organic agriculture by anaerobic digestion and production of biogas - but biogas production has been considered an unacceptable technology
- The last dilemma I will mention is the demand for safe foods as opposed to concern on animal welfare and hence free range of animals which may lead to problems with pathogenic microorganisms (zoonoses).

The research effort should contribute to solve these and other dilemmas - and hereby contribute to the development of the regulations and production principles and advice farmers and processors about how to improve the farming and processing practices. Research in organic production and processing must therefore have high priority in the national and international research programmes in the coming years. The EU Framework programmes are essential in this respect. It is therefore very important to establish networks of excellence in organic research and to utilise the possibility for EU funding of co-operation between national research programmes.

To obtain this we do not need to develop a brand new research discipline in organic farming or organic food science. Organic research can to a large extend and for the benefit of all be contained in the existing scientific institutions and infrastructures. The whole scientific world is moving fast these years towards a more holistic multidisciplinary approach. In agricultural science we do not only search the simple solutions based on natural science - we are now looking at agriculture and food production as a part of the whole society, and the solutions we are looking for must be socially robust and acceptable for the society in general.

Research in organic farming and food processing should therefore be integrated and increased in the existing research systems. In my opinion high quality organic research projects should have very good possibilities for funding from national and EU research programmes. We do however have to reconsider weather the evaluators have a differentiated scientific back ground and therefore the skills to evaluate organic projects. This is also a challenge to the researchers in organic agriculture to be selected as evaluators.

In this process co-operation between universities, the private sector and the governments is essential. In connection to this I have to stress, that substantial public funding of research is essential. The benefits of research is substantially larger to the society than to the industry - and small and medium sized companies have special needs in order to improve their ability to pick up new research results.
In conclusion:
The overall purpose of research in organic farming is to lay the ground for further development of the production. That is

- to lay down the scientific basis for improvement of the production - development of new or refinement of existing production methods to optimise the basic parameters: quality of the products, environmental impact, the health and welfare of the animals and the income of the farmers.

- To contribute to the development of principles of organic production based on knowledge and therefore in line with and ensuring the fulfilment of the basic principles and expectations.

- There are still very many challenges in the primary production but the research must focus on the whole production chain from farming to processing, distribution and consumption.

Research in organic farming and processing must therefore have high priority in future national and international research programmes.

Mr. Xabier Goenaga, (ES)
Mr. Massimo Burioni,
Organic farming research in EU framework programmes

INTRODUCTION
In our modern society, the market demand for fewer food products in ever-larger quantities, and with standardised commercial characteristics, has pushed farmers to shift from the traditional extensive (and diversified) production systems towards the intensive production of a few specialised crops. To respond to this market demand, farmers have adopted more productive agricultural practices based upon intensive use of external inputs, such as inorganic fertilisers and synthetic pesticides, to sustain the cultivation of high-yielding crop varieties, and feed additives to improve animal production of milk and meat. One of the results of this market-led change is that, at present, no more than thirty crop varieties, over the thousands potentially available world-wide, feed the world population. Another consequence of such production systems is that the intensive agricultural practices based on pre-scheduled, and often huge amounts of external inputs, have largely contributed to soil and water overexploitation, biodiversity reduction and pollution, with negative mid and long-term effects on the environment. Furthermore, the often-detected presence of noxious chemical residues on fresh and processed foodstuffs is a cause of growing public concern. Similar problems exist in conventional livestock production systems where the negative effects of intensive breeding practices on animal health and welfare have been the direct cause of many of the recent food scares experienced in Europe.

However European public perception of agriculture has been changing and consumers are more and more aware of the close links existing between food-related health risks
and the way foodstuffs are produced and processed. The raised consumer consciousness reinforced by the recent food crises and scares created by BSE, dioxin contamination, and foot-and-mouth disease, has given rise to marked changes in conventional foodstuff supplies and markets. Nowadays, European consumers pay more attention than ever before to safety aspects when purchasing foodstuffs and the overall demand for organically produced foods is rising steadily as they are increasingly perceived as being “safe products”. Prompted by this demand food companies and distributors are increasingly accommodating and anticipating a growing market for organic products. To cope with this new market-led change for a more sustainable agriculture in Europe, the main issues to be tackled by European agriculture in the near future are those closely related to food quality, food safety and the sustainable use of natural resources and protection of the environment. To support all the actors involved in this process, such as farmers, extension services, policy makers, and the agro-industry, the European research community must play an active role in developing environmental, economical and socially sustainable agricultural production systems.

THE EU RESEARCH POLICY AND THE FRAMEWORK PROGRAMMES
The main objective of European Community Research Policy is to assist in the co-ordination and generation of high-level knowledge and technologies in key economic and social sectors, which contribute towards improving sustainable development, the international competitiveness of the European economy, and the quality of life of its citizens. The main instrument for the implementation of this policy is the multi-annual Framework Programme (FP) which helps to organise and financially support research co-operation between universities, research centres, industries and other stakeholders.

For the currently running Fifth FP (1998-2002), a budget close to 15 billion Euro has been allocated. The budget share for Key action 5 (KA5) “Sustainable agriculture, fisheries, forestry and integrated rural development including mountain areas” of the specific programme Quality of Life and Management of Living Resources (QoL) amounts to 520 MEuro or 21.5% of the total budget of the QoL programme. KA5 invites research proposals across five major research sectors: sustainable agriculture and fisheries, non-food uses of biological material, forestry and forest industries, support to common policies, and rural development.

The evaluation of proposals is carried out by no less than four external independent experts selected on the basis of their competence, gender, expertise and seniority. A proposal is evaluated in response to the closing date of specific calls, which are published annually during the course of the programme. Proposals are checked for eligibility, and allocated to experts groups where they are subject to a two-stage evaluation. The first stage involves analysis of the scientific and management aspects while proposals going on to the second stage are evaluated according to defined socio-economic criteria and relevance. While there is no such thing as a perfect evaluation system the one deployed in the Fifth FP has been deemed to be very efficient and fair as remarked in the reports of the invited independent monitors who have overseen recent evaluations and contributed useful improvements. This independent monitoring policy will continue as we strive to make the evaluation system as acceptable as possible to the European research community.
Individual experts can only be invited for a maximum of three evaluations over the whole Framework programme period, and our database contains a large number of experts for each sector to allow for the widest possible panel composition. However one area where we are still short of experts is in the domain of organic farming and as the expert registration process has been hugely simplified since 1999 we encourage as many of experts as possible to register in the database. This can be done through the CORDIS Quality of Life website where a wealth of other information concerning the QoL programme can also be found.1

Since the launching of the Fifth FP in December 1998, there have been four evaluations corresponding to closing dates fixed by the official calls. The first call for KA5 was published on 6 March 1999 and resulted in two evaluations in July 1999 and December 1999, while the second call for proposals was published on 15 December 1999 with two evaluations in May 2000 and December 2000. The third call for proposals for deadlines in 2001 was published in the official journal in November 2000 and has only one deadline corresponding to the whole of KA5 closing on the 18 October 2001. The fourth and final call will be targeted towards specific areas and modalities and will be published in October 2001.

Table 1. KA5 RTD Project Statistics

<table>
<thead>
<tr>
<th>Number of Calls/evaluations:</th>
<th>2/4</th>
<th>Selected</th>
<th>Euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects Selected:</td>
<td>220</td>
<td>Total Cost</td>
<td>502.8 M</td>
</tr>
<tr>
<td>Proposals submitted:</td>
<td>1264</td>
<td>Total EU Contribution</td>
<td>340.8 M</td>
</tr>
<tr>
<td>Proposals ineligible</td>
<td>194 (15 %)</td>
<td>Av Total Cost</td>
<td>2.3 M</td>
</tr>
<tr>
<td>Selection rate:</td>
<td>17.4%</td>
<td>Av EU Contribution</td>
<td>1.5 M</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage EU Contribution</td>
<td>67.8 %</td>
</tr>
<tr>
<td>Selected</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shared Cost RTD</td>
<td>195</td>
<td>Nb of Participants</td>
<td>1744</td>
</tr>
<tr>
<td>Shared Cost Demo</td>
<td>2</td>
<td>Public Authority</td>
<td>1097</td>
</tr>
<tr>
<td>Combined RTD/Demo</td>
<td>4</td>
<td>International Organisation</td>
<td>11</td>
</tr>
<tr>
<td>Thematic Networks</td>
<td>2</td>
<td>Joint Research Center</td>
<td>15</td>
</tr>
<tr>
<td>Concerted Actions</td>
<td>17</td>
<td>Public Commercial Sector</td>
<td>43</td>
</tr>
<tr>
<td>Private Commercial</td>
<td>266</td>
<td>EEIG</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Private non Profit</td>
<td>275</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Avg Project Duration</td>
<td>36 months</td>
</tr>
</tbody>
</table>

As shown in table 1 the four evaluations held so far have resulted in a total of 1264 submitted research proposals across all areas of the key action, of which 15% or 126 proposals were rendered ineligible due to non-conformity with the criteria stipulated in the call. Of the 732 submitted for evaluation 220 proposals or 18% were retained for funding. The financial contribution from the EU for the selected projects amounts to 340.8 M Euro, which represents 68 % of the total cost of 503 M Euro. This involves the participation of 1744 public/university laboratories and industries. Industrial participation is around 15 % on average but reaches 40% in the more industrial parts of the
EU FUNDED ORGANIC FARMING RESEARCH

The European Community Framework Research Programmes have provided substantial funding opportunities for different kinds of research activities and networking in organic farming (OF). Over the past ten years under three framework programmes (AIR, FAIR and KA5) 20 RTD projects and concerted actions related to OF were selected and funded for a total EU contribution of around 21 M Euro as illustrated in Table 2. These projects have had a significant impact on the development of the OF sector over this period.

Table 2. Scope of EU funding in organic research since 1992

<table>
<thead>
<tr>
<th>3FP-AIR</th>
<th>4FP-FAIR</th>
<th>5FP-KA5 *</th>
<th>Tot</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shared cost RTD</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Organic livestock farming, implications for conversion (AIR 0776)</td>
<td>- Ecological field vegetable production (FAIR 96-2056)</td>
<td>- Development of biocontrol agents against post-harvest diseases of perishable foods (QLK5 99-01065)</td>
<td>12</td>
</tr>
<tr>
<td>- On-farm development and evaluation of OF systems (AIR 0852)</td>
<td>- Low-input animal production based on forage legumes (FAIR 96-1832)</td>
<td>- Development of a systems approach for the management of late blight in EU organic potato production (QLK5 99-31065)</td>
<td></td>
</tr>
<tr>
<td>- Reducing or eliminating agro-chemical inputs (AIR 1299)</td>
<td>- Integrated decision-support system for agricultural product (FAIR 96-08449)</td>
<td>- Overcoming barriers to conversion to OF through markets for conversion products (QLK5 99-31112)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Network for animal health and welfare in OF (FAIR 98-4405)</td>
<td>- Organic market initiatives and rural development (QLK5 99-31124)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Concerted actions</strong></td>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>7 Concerted actions (CAs) dealing with different aspects of OF, e.g. site-specific fertilisation systems, landscape valorisation, strategies for co-operation and co-ordination in OF research, ecological arable systems, stockless systems, etc.</td>
<td>- Effects of the CAP reform on OF research in Europe (FAIR 96-1794)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M Euro</td>
<td>5</td>
<td>5</td>
<td>11</td>
</tr>
</tbody>
</table>
The research projects funded under the AIR and FAIR programmes have substantially already contributed to an increase in the available knowledge on organic production systems, their environmental and socio-economic impact, and on better marketing strategies. The projects have all resulted in strong research networks running state of the art science, which have led in many cases to follow up research proposals in subsequent calls of new programmes specifically addressing identified research gaps.

Policy makers has also benefited from the concerted action networks and one FAIR project in particular involved extensive studies on the economic and technical implications of conversion, (FAIR 96-1794 - Effects of the CAP reform on OF research in Europe). The project provided an exhaustive and comprehensive analysis of the pros and cons of the implications of CAP reform with respect to development of organic production in 18 European countries (15 EU countries plus Switzerland, Norway and the Czech Republic). The project produced a series of publications detailing the current situation of OF in Europe, the role played by the relevant EU regulations (2078/92 and 2092/91) and a European-wide market analysis to identify future strategies to fully exploit the OF economic potential.

Overall the funded concerted actions have successfully contributed to a better analysis and understanding of the situation concerning OF research activities in Europe. They have helped the relevant scientific community to share experiences, compare results, and avoid overlapping and subsequent waste of resources. Currently, there are no ongoing concerted actions or thematic networks in OF funded by the Community but new proposals are certainly encouraged for the next KA5 deadline closing on October 18th 2001.

Concerning the future, the research community will be expected to find solutions to the problems and limitations which still hinder the development of the OF sector.

Figure 1. Schema for addressing research gaps in the OF sector
Some of the major gaps in OF research are illustrated in Figure 1. Research efforts should be oriented to further improve the performance of current organic production systems in order to achieve better quality, more diversified and stable production systems, and more competitive organic foodstuffs. Research into viable alternatives to conventional plant protection methods, such as research into host plant resistance mechanisms, natural plant defence systems, polyculture techniques, microbial agents, botanical insecticides, etc. is badly needed, as is the improvement of the nutritional value of feed for organic livestock systems. Furthermore, the potential contributions of genomics and post-genomic research in the fundamental understanding of breeding and reproduction of plants and animals should not be underestimated. A stronger coordination of ongoing research actions in Europe would also be helpful to improve the potential of the sector by providing the necessary interactions and synergies and by harnessing multiple efforts towards well-defined common objectives.

AGRICULTURAL RESEARCH IN THE EUROPEAN RESEARCH AREA
A document proposing a “European Research Area” (ERA) was published by the Commission on 18 January 2000 and guidelines on how to structure the ERA were adopted by the Commission on 4 October 2000. As part of the consultation process on the ERA communications, the European Commission, under the auspices of the French Presidency of the EU, organised a conference entitled “Agricultural Research in the European Research Area” held in Versailles on December 5-6 2000. Policy makers, scientists, farmers’ representatives and other interested stakeholders from all fifteen member states and candidate countries came together to discuss the implementation of the ERA in the domain of agricultural research. The net result from the conference has been a detailed report of the interventions and discussions, which took place over the two days. From this a set of conclusions and recommendation have been distilled which are intended to act as suggestions for how a European research area in the agriculture sector could be shaped along with an outline of future priorities and challenges for Community agricultural research. These can be summarised as follows:

1) The multi-functional nature of agriculture in Europe must be more clearly defined. How do we maintain the production of sufficient quantities of safe and affordable food while shifting the industry towards increased diversification and a service based ideology.

2) We must seriously tackle the improvement of food quality and safety through the latest advances in genomics and post-genomic technologies.

3) We must improve the environment through the adoption of a wiser and sustainable use of our natural resources.

4) We must promote society-driven agricultural research in response to consumer’s needs surrounding food safety and the management of the whole food chain.
THE 6TH FRAMEWORK PROGRAMME (2002 - 2006)
The proposal for the new Research Framework Programme implementing the European Research Area was adopted by the European Commission on 21 February 2001 with a proposed budget of 17.5 billion. This proposal sets out a picture of the organisation, working arrangements and priorities proposed and it also outlines new methods of funding research. In summary the proposed new programme is composed of the following structures.

The five research and development programmes:
- Integrating and strengthening the European Research Area
- Structuring the European Research Area
- Independent research in the nuclear field.
- Joint Research Centre programme food safety and health, environment etc
- Joint Research Centre's activities in the nuclear field

The three key instruments.
- Networks of excellence
- Integrated projects
- Joint participation in national programmes

THE SCIENTIFIC PRIORITIES.
- Genomics and biotechnology for health
- Information Society technologies
- Nanotechnologies, intelligent materials and new production processes
- Aeronautics and space
- Food Safety and health risks
- Sustainable development and global change
- Citizens and Governance in the European Knowledge-based society

The framework programme will be adopted under the ‘co-decision’ procedure, i.e. jointly by the Council of Ministers and the European Parliament. The next steps in implementing the ERA will be strategy papers on the mobility of researchers, the opening up of the ERA to the world (i.e. its international dimension), benchmarking the European research effort, and the regional dimension of research.

Research dealing with OF production issues is addressed mainly within the scientific priority area Food Safety and Health Risks. More specifically it is covered under the specific research priority “Safer production methods and healthier foodstuffs, including those based on biotechnology and on organic farming” as found in the text for the specific programme proposal.

The Food Safety and Health Risks thematic priority, with a proposed budget of 600 million Euros, is a unique opportunity for research to:
(a) Provide solutions on new ways to organise the food chain where the consumer requirements are identified first and then all actors of the chain adjust their practices to satisfy those requirements (a plate to plough approach), including the farmers, industry and retailers,
(b) Anticipate emerging risks and suitable solutions to avoid major food scares such as those recently seen in Europe,
(c) Give European industries and farmers a competitive advantage by providing them the tools to produce safer and more nutritious foods which consumers want.

In view of the above priorities, the EU-funded OF research activities of the future should focus on those aspects of the production systems which are more directly linked to the final product quality. Successful projects should help organic farmers to produce healthier and safer food products, without neglecting the economic constraints, i.e. by improving their productive capacity, thus contributing to environmental and economic sustainability of European agriculture.

Organic farming can have a decisive role in improving food quality in the Europe of the future thus responding to the recommendations of the Versailles conference and the philosophy of the new framework programme. The fourfold increase in farmland converted to OF from 0.7 million hectares in 1993 to 2.7 million in 1999 (over a total agricultural area of 140 million hectares), clearly indicates that European farmers are responding to the growing market demand for organic products. This trend is certainly favoured by the incentives to conversion provided by the EU regulation 2092/91, but it also shows that consumers are willing to pay the extra price for certified organic foodstuffs. The above figures are healthy indicators for the OF sector in Europe, but they also show that there is room for improvement and that considerable efforts still have to be made if organic producers are to play a leading role in the European agriculture scenario of the 21st century.

Notes
1  http://www.cordis.lu/life/
2  More details on Organic farming EU research projects can be found at the following websites.
   OR in the following publications
   FAIR Programme “ Agriculture Forestry and rural Development “ Research Results.
   Key Action 5 “Sustainable agriculture Fisheries and Forestry” Research projects
3  COM (2000) 6: Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions. “Towards a European Research Area”
   http://europa.eu.int/comm/research/area-en.htm>
4  “Agriculture Research in the European Research Area” Conference Report
   EUR 19440 ISBN 92-894-0931-2
PROGRAMME THURSDAY MAY 10TH

PLENARY I: OPENING
09.00 - 09.15
Ms. Ritt Bjerregaard, Minister of Food, Agriculture and Fisheries, Denmark: The Need for Partnership and Action in the Development of Organic Food and Farming in Europe

09.15 - 09.30
Mr. Friedrich-Wilhelm Graefe zu Baringdorf (DE), European Parliament - Committee on Agriculture and Rural Development, Chairman.

09.30 - 09.45
Mr. Gunnar Rundgren (SE). President of IFOAM. Chief officer of Grolink, consultancy for organic agriculture in developing countries: IFOAM a partnership model for developing organic agriculture worldwide

09.45 - 10.00
Mr. Elliot Morley (UK), Parliamentary Secretary.

10.00 - 10.15
Mr. Evangelos Argyris (GR), Viceminister of Agriculture.

10.15 - 10.30
Mr. Corrado Pirzio-Biroli, European Commission, Head of Cabinet, DG Agri.

Moderator
Mr. Branko Bosnjakovic, UN-ECE, Switzerland, Regional Advisor for the Environment at the UN-Economic Commission for Europe.

Coffee break

PARALLEL THEMES, MODULE A

10.50 - 12.40
Theme 1. Organic Agriculture as a Part of the Common Agricultural Policy
Theme 2. Trading Organic Products
Theme 3. Organic Standards, Certification and Legislation

Organic lunch

PARALLEL THEMES, MODULE B

13.40 - 15.40
Theme 4. Multifunctional Contributions from Organic Farming
Theme 5. Processing and Marketing of Organic Products
Theme 6. Organic Food and Farming in the New Market Economies of CEE
CONFERENCE PROGRAMME

Coffee break

PLENARY II
16.00 - 17.00
Reports from theme 1-3: Recommendations for the further Process towards the European Action Plan

Moderator
Mr. Nic Lampkin (GB), Director of the Organic Farming Centre for Wales, and Senior Lecturer at the Institute of Rural Studies, University of Wales, Aberystwyth

18:30 Organic conference dinner at the Hotel Marienlyst, Elsinore

PROGRAMME FRIDAY 11/5

PARALLEL THEMES, MODULE C
9:00 - 11:00
Theme 7. The European Action Plan - Process and Content
Theme 8. Communicating with Consumers
Theme 9. Research as a Tool for Development of the Organic Sector

Coffee break

PLENARY III
11.30 - 11.50
Mr. Hardy Vogtmann (DE), President of the Federal Agency for Nature Conservation: Organic Agriculture beyond Food-Production

11.50 - 12.10
Lord Peter Melchett (UK), Executive Director of Greenpeace UK 1998 to 2000: The Benefits to Wildlife from Organic Agriculture

12.10 - 12.30
Mr. Peter Gæmelke (DK), President of Danish Agricultural Council and Vice President of COPA together with Mr. Timo Kaunisto (FI), COPA representative in and Chairman of the DG Agri Standing Group on Organic Farming: Organic Production in the Future Farming and Food Production in Europe

Moderator
Mr. Bernward Geier (DE), Executive Director for IFOAM Headoffice.

Organic lunch

PLENARY IV
13.30 - 13.45
Mr. Poul Nyrup Rasmussen, Prime Minister of Denmark.
13.45 - 14.00
Ms. Margareta Winberg, Minister for Agriculture, Sweden.

14.00 - 14.15
Ms. Renate Künast, Bundesministerin für Verbraucherschutz, Ernährung und Landwirtschaft, Germany.

14.15 - 14.30
Mr. Wilhelm Molterer, Bundesminister für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft, Austria: “Organic Farming as Strategic Approach to Maintain the European Agricultural Model”

14.30 - 14.45
Mr. Bjarne-Håkon Hanssen, Minister of Agriculture, Norway.

Moderator
Ms. Ritt Bjerregaard, Minister of Food, Agriculture and Fisheries, Denmark

Coffee break

PLENARY V
15.00 - 16.00
Reports from theme 4-9: Recommendations for the further Process towards the European Action Plan.

Moderator
Mr. Nic Lampkin (GB), Director of the Organic Farming Centre for Wales, and Senior Lecturer at the Institute of Rural Studies, University of Wales, Aberystwyth

CONCLUSION AND PRESS MEETING
16.00 - 16.15
Closing remarks from Ms. Ritt Bjerregaard, Minister of Food, Agriculture and Fisheries, Denmark.
CONFERENCE PROGRAMME

PARALLELTEME 1

**Organic Agriculture as a Part of the Common Agricultural Policy**

The CAP reform Agenda 2000 has been settled, bringing up front the multifunctional approach to farming as a strategy for the common agricultural policy. Even though organic farming in recent years has been recognised for its multifunctional contributions, it is only placed in the CAP reform as a limited part of the second pillar (rural development), which by itself only represents a small part of the whole reform. Organic farming having a larger role in the future agricultural policy also brings up the necessity of analysing its placement in the CAP as a whole. Besides looking at the implementation of organics in the rural development scheme the theme will take a broader view on how the multifunctional contributions from organic farming can be encouraged in general. Organic farming is seen not only in an agricultural perspective but also as contributing to the welfare of the society and to the objective of policy makers.

**Moderator**

Ms. Inger Källander (SE),
President of the Swedish Ecological Farmers Association.

**Rapporteur**

Mr. Thomas Dosh (DE),
German board member of the IFOAM EU Regional Group, Manager Bioland.

**Speakers**

*Mr. Peter Nijhof* (NL):
Organic Farming as a Strategy for a Multifunctional Agriculture

Mr. Nijhof will focus on organic agriculture as an agricultural strategy inspiring for the development of farming systems, food chains and environment in Europe. Mr. Nijhof is a member of the Dutch Council for the Rural Area (CRA). CRA is an active member of the European Environmental Advisory Councils EEAC.

*Mr. Johannes Michelsen* (DK):
Organic Farming Development in a Social Context

Mr. Michelsen will focus on the impact of policy factors as well as other factors for the success of organic farming. He is Ph. D. and senior lecturer at the Department of Political Science and Public Management of the University of Southern Denmark - Esbjerg. He is partner in the EU sponsored project on organic farming and the CAP in which he co-ordinates comparative studies of political and market conditions in 18 European countries.

*Ms. Anna Maria Häring* (DE):
Benefits of Organic Farming for Society

Anna Maria Häring will speak about the contributions to the welfare of the society and the objectives of policy makers from organic farming. She is trained as an agronomist, has been involved in research on economics and policy effects on the farm-level of organic farming since 1997. She was a member of the “Organic farming and the CAP” project team and a co-author of the book “The Environmental impact of organic farming in Europe”.
Trading Organic Products
Trade in organic products will increase in the following years in order to meet an increasing demand for organic food. Some producers are only producing for export while others also are interested in supplying the home markets. Despite the scarcity of organic products in many markets, there are different kinds of problems that hamper the development of trade. National organic standards differ for instance according to local concerns or traditions. This means that imported products might have to meet these standards to gain access to use locally known labels, and the local standards can thereby act as a barrier to trade. The problems are experienced differently if you are a producer, an exporter, an importer, a supermarket or a consumer, but everyone has an interest in creating balance between supply and demand. In a European Action Plan, ways to lower barriers for trade should be explored. Solutions will involve close co-operation between producers, firms, organisations, control bodies and control authorities, etc.

MODERATOR
Mr. Otto Schmidt, (CH), Research Institute for Organic Farming (FIBL).

RAPPORTEUR
Mr. Rasmus Kjeldahl, (DK), Head of Department, The Danish Plant Directorate.

SPEAKERS
Mr. Michael Bisgaard-Bohr (DK):
How can the Retail Industry contribute to an Increased Trade in Organic Food?
Mr. Bisgaard-Bohr, Denmark, Director, Retail Consulting and Programmes, NCR Europe, Middle East and Africa (EMEA). Mr Bisgaard-Bohr works as an adviser for the worldwide retail industry and has due to his solid experience in the business an ample expertise in the European retail industry, including the trade in organic products.

Mr. Ferenc Frühwald (HU):
Trade in Organic Products in the Central and Eastern European Countries (CEE) - Recent Situation and Perspectives
Mr. Frühwald, Hungary, Ökoszerviz, Biokultura is an organic trader, and one of the pioneers of the organic movement in Hungary (founder of Biokultura). He is furthermore co-ordinator of the IFOAM CEE Regional Group.

Ms. Manon Haccius (DE):
How to meet Consumer Expectations when Trading Organic Products
Dr. Haccius, Germany, responsible for the quality management and consumer services section in AlnaturA Produktions- und Handels GmbH and a member of the EU’s consulting committee on organic farming. Dr. Manon Haccius has previously worked for the German organic farming association’s umbrella organization, AGÖL.
CONFERENCE PROGRAMME

PARALLEL THEME 3

Organic Standards, Certification and Legislation.
The introduction of EU-legislation on organic production of agricultural products has helped to protect consumer and producer interests and ensure market transparency. Recently also the animal husbandry part of the regulation has been finished. The work with this part of the regulation has shown that it is relatively difficult to find a simple general legislation, which without difficulties can cover the whole of EU, given differences in climate, culture and “the state of the organic farming”. Since new areas will become part of the legislation in the future it is important to consider the role of legislation and how standards are worked with. Certification is a part of the regulation and is an important tool to keep the consumers trust’ in organics, therefore the certification chain from farm to table with a growing production should be considered very carefully. Also the question of how to secure trustworthy certification even in a time with rapid growth of the organic production is essential for the future of organics.

MODERATOR
Ms. Ana Soeiro, (PT),
Portuguese Agricultural Ministry, member of the Standing Committe on Organic Farming.

RAPPORTEUR
Ms. Drs. Louise W.M. Luttikholt (NL).
Platform Biologica. Dutch board member of IFOAM EU Regional Group.

SPEAKERS
Mr. Sampsa Heinonen (FI):
The Role of Legislation
Mr. Heinonen is presently Senior Officer at the Plant Production Inspection Centre in Loimaa, Finland. He is involved in managing and developing the state certification system for organic plant production which takes place on more than 5000 farms. Mr. Heinonen has close connections with the Finnish organic movement as an advisor, researcher and past board member of the Finnish National Association for Organic Agriculture. Since 1992 he is a board member of the IFOAM Accreditation Programme.

Mr. Antonio Compagnoni (IT):
Coping with Growth
Mr. Compagnoni will explain how they in Italy, with a tremendous growth in the number of organic farmers, have made it possible to keep a sufficient and trustworthy certification and inspection system during a growth period. He was AIAB responsible for international relations (since 1989), from 1987 (her må være noget galt med årstallene?). Until 1992 the President of the regional AIAB structure for Emilia Romagna; since 2000 in the executive board of AIAB Emilia Romagna. From 1991 until 1999 the co-ordinator of IFOAM Italy and Italian representative in the IFOAM EU Regional Group. IFOAM world board member since 1998.
Mr. Per Baummann (SE):
Securing against Fraud
Mr. Baummann is environmental co-ordinator at the Consumer and Environment Department of the Swedish Consumer Co-operation (KF) since 1987. KF has a market share of about 20% in the fast moving consumer goods retail business. He has been at the control committee of KRAV for a couple of years, is the Swedish representative in EURO COOP, the European co-op organisation and a member of the EU Committee working group on organic farming.

Mr. Alberik Scharpé (BE):
Legislation on Organic Farming
Mr. Scharpé is employed in the EU Commission and chairs the Standing Committee on Organic Agriculture.

PARALLEL THEME 4

Organic Farming and Multifunctional Contributions to the Environment and Nature
From the beginning the organic movement has focused on a set of principles and aims for the organic agriculture that do not limit themselves to farming in a myopic sense, but also address resources, biodiversity, social commitment etc. In that way the multifunctional purposes are clear, but the aims are even broader. The theme will highlight the research and policy perspectives as regards the contributions to nature and environment as well as the practical use of organic farming as a tool for sustainable development.

MODERATOR
Mr. Gerald Hermann (DE),
Member of the IFOAM World Board, Manager Naturland.

RAPPORTEUR
Mr. Victor Gonzálves (ES),
Spanish Society for Organic Farming. Spanish boardmember of the IFOAM EU Regional Group.

SPEAKERS
Mr. Alessandro Triantafyllidis (IT):
From Rio to Region
Mr. Triantafyllidis, President of AIAB Liguria, is a part time organic farmer, agronomist specialised in protected area and sustainable development in general. He is also IUCN member of the protected area commission.

Mr. Bernhard Berger (DE):
Organic farming and the Common Agricultural Policy - the environmental perspective
Mr. Berger is working in the unit “Water, the Marine and Soil” in the Directorate “Environmental Quality of Natural Resources” of the Directorate-Generale for Environment of the European Commission.
CONFERENCE PROGRAMME

Mr. Lukas Pfiffner (CH):
Contributions of Organic Farming to a Sustainable Environment
Mr. Pfiffner (Research Institute of Organic Agriculture, FiBL) will present a concentrate of the research made on environment and contributions to nature from organic agriculture.

Mr. Gijs Kuneman (NL):
The Sustainability of Organic Farming
Mr. Kunemann is Chair of the European Environmental Bureau’s Agriculture Working Group.

PARALLEL THEME 5

Processing and Marketing of Organic Products.
The organic food market is developing rapidly in the EU. Does the emerging mass market compromise the integrity of organic standards and principles? How are mainstream food businesses approaching the development and marketing of processed organic product lines? What are appropriate marketing models for organic food?
Managing growth in line with infrastructure capacity is central to the implementation of a European Action Plan. However, to ensure that benefits of the expanding organic market are delivered to producers, consumers, rural society and the environment depends on the development of appropriate and strong supply chain relationships - with an emphasis on local and regional supply. A common interpretation and implementation of organic standards is essential to ensure that all producers are operating on a level playing field - however, the diversity of conditions and systems throughout Europe conflicts with a single interpretation. Ultimately, the confidence of consumers depends on the quality and integrity of the organic value proposition - does this need protecting in an expanding market?

MODERATOR
Mr. Christopher Stopes (GB),
UKROFS and Eco-Stopes Consultancy

RAPPORTEUR
Ms. Marianne Schönning (DE),
board member of Swedish Ecological farmers Association and KRAV. Vice president in the IFOAM EU Regional Group.

SPEAKERS
Ms. Lisbeth Damsgaard (DK):
The Integrity of the Organic Offer - Engaging with the Consumer
Ms. Damsgaard is chief executive officer, Urtekram, and chairman of Øgruppen - the Danish Organic Trade Association, DK.
CONFERENCE PROGRAMME

Ms. Sally Bagenal (GB):
European Organic Milk Markets - Barriers and Opportunities
Ms. Bagenal is MD of Organic Milk Suppliers Cooperative (OMSCo), the largest supplier of organic milk for liquid and processing markets in Great Britain. OMSCo works closely with producer groups, wholesale and retail markets to ensure quality and give security in the organic supply chains. She was one of the founders of the Alliance of European Organic Milk Producers.

Mr. Roberto Pinton (IT):
Marketing models: Supermarkets and Direct Supply - Synergy or Opposition?
Mr. Pinton is director of Pinton Organic Consultancy, Italy, and works with organic wholesalers, retailers and other organic businesses, the AIAB and the Italian Ministry of Agriculture on market development. Participating in the EU funded Organic Marketing Initiatives and Rural Development (OMIaRD) project.

Mr. Bart Jan Krouwel (NL):
Innovative Financing Methods
Mr. Krouwel is founder and former Director of Triodosbank - the first ‘green bank’ in Europe- and is since several years Director of the Division Business Development of Rabobank Group, the Netherlands.

PARALLEL THEME 6

Organic Food and Farming in the New Market Economies of the Central and Eastern European Countries (CEE)
In several CEE-countries a clear stand has been taken by the Ministries of Agriculture in favour of organic farming. Based on the mentioned advantages they see an opportunity to develop organic farming in their country. In order to achieve this, the authorities and organisations in the CEE need to work on certification and legislation, adaptation to acquis communautaire, training of farmers and farm advisors, institutional development, adaptation of curriculi of agricultural schools and universities, awareness raising among consumers.
The market chain also faces problems such as lack of investment capital for small and medium sized enterprises, market development (internal and export), logistics etc. It would make sense, when developing a European Action Plan for organic food and farming, to include the CEE countries in this process from the very beginning.

MODERATOR
Mr. Martien Lankester (NL),
Executive Director of the Avalon Foundati

RAPPOREUR
Ms. Anamarija Slabe (SI),
Institute for Sustainable Development. Liaison between the IFOAM CEE members and the IFOAM EU group.
CONFERENCE PROGRAMME

SPEAKER

Mr. Darko Znaor (HR):
Overview of Development of Organic Food and Farming in the CEE, Ingredients for a Regional Action Plan
Mr. Znaor from Croatia is an agronomist, specialised (in UK and NL) in organic agriculture, who has worked as an advisor on organic agriculture in different countries of CEE, in particular in the Balkan area.

Mr. Tomás Zidek (CS):
Experience of Ten Years Development of Organic Farming
Mr. Zidek, Vice-Minister of the Ministry of Agriculture, Czech Republic, worked in the Ministry of Environment, later in the Ministry of Agriculture (responsible for organic agriculture), was then director of an NGO for organic agriculture until he was appointed Vice-Minister three years ago.

Mr. Frank Vorhies (NL):
A New Initiative to Finance Organic Food and Farming Enterprises in the CEE
Mr. Vorhies is Chief Economist at the IUCN head office in Gland, Switzerland, where he is currently involved in preparing a new financing and technical assistance structure based on criteria of biodiversity and climate.

PARALLEL THEME 7

The European Action Plan - Process and Content.
Due to the overall ambition of the conference, i.e. to initiate the process towards a European Action Plan, the conference is organised around themes dealing with main-topics to be covered by a European Action Plan. However, there is a need to focus specifically on the organisation of the process towards a European Action Plan. Therefore the conference also encompasses a specific theme dealing with this issue. The theme is supposed to contribute to the highest possible degree of consensus as regards the overall objective of a European Action Plan, the topics to be covered, the choice of stakeholders to be involved, the embedding of the work and the strategy for an efficient follow-up. Hence the theme about a European Action Plan is expected to produce a range of concrete guidelines as regards the process towards a European Action Plan.

MODERATOR

Mr. Fl. Duus Mathiesen (DK),
Director, Research and Development in the Ministry of Food, Agriculture and Fisheries. Chairman of the Organic Food Council in Denmark.

RAPPORTEUR

Mr. Francis Blake, (GB),
Standards and Technical Director of the Soil Association, UK Board member and President of the IFOAM EU Regional Group.
SPEAKERS

Mr. Stephan Dabbert (DE):
Elements of a European Action Plan for Organic Farming
Mr. Dabbert is professor of Agricultural and Resource Economics at the University of Hohenheim, Stuttgart, Germany. He is the co-ordinator of the EU-funded project “Organic farming and the CAP” which was a major effort to analyse organic farming policy within the European Union, Switzerland and Norway, as well as to draw conclusions from this analysis.

Mr. Paul Holmbeck (DK):
The Action Plans in Denmark, Lessons for the European Action Plan
Mr. Holmbeck is the Director for both the National Association of Organic Farming (founded 1981) and Økologiens Hus, the House of Organic Agriculture. In Økologiens Hus (founded 1999), the nine associations of organic farmers, consumers and food companies have created a common technical, advisory, political and marketing centre. He has had a central role in the development of the two Danish Action plans (1995 and 1999).

Mr. Chris Kalden (NL):
An Organic Market to conquer - Experience with a ‘pull-oriented’ National Action Plan
Ministry of Agriculture, Nature Management and Fisheries, the Netherlands:
An Organic Market to conquer - Experience with a ‘pull-oriented’ National Action Plan

Mr. Bart Jan Krouwel (NL):
How can the financial sector support the promotion of organic food and farming
Mr. Krouwel is founder and former Director of Triodosbank -the first ‘green bank’ in Europe- and is since several years Director of the Division Business Development of Rabobank Group, the Netherlands.

PARALLEL THEME 8

Communicating with Consumers
The production of healthy food of high quality is a fundamental aspect of organic farming and also a major driver in consumer demand for organic products. But numerous market surveys carried out in recent years show that specific consumer knowledge about organic farming methods is rather superficial. Buying organically produced food is more of a lifestyle/feelgood/precautionary decision than a deeply founded belief in the merits of organic agriculture as a real alternative to the conventional food system. This creates a perceptive divide between the organic farmer and the consumer. A better understanding of consumer behaviour is therefore essential in order to establish more accurate predictions about future market opportunities. What are the defining characteristics of successful communication between producer and consumer - can a coherent strategy be established?
CONFERENCE PROGRAMME

MODERATOR
Mr. Thomas Harttung (DK),

RAPPORTEUR
Ms. Sabine Eigenschink (AT),
Ernte für das Leben-Austria, Austrian board member of the IFOAM EU Regional Group.

SPEAKERS
Mr. Jonathan Dimbleby (GB):
Consumer Interest in Organic Products
As the health and safety of industrialised food products often are compromised, organic products become an interesting alternative for many consumers. In the GB, the Soil association is the leading campaigning organisation and certification body for organic food and farming. Mr. Dimbleby is the president of the Soil Association.

Mr. Jens-Otto Andersen (DK):
Health and Quality of Organic Products
In Denmark a major study on the health value of organic product has been conducted. Mr. Andersen, The Royal Veterinary and Agricultural University, will bring forth some of the experiences. Jens-Otto Andersen is a researcher at the Department of Agricultural Sciences, Section of Agroecology.

Mr. Toralf Richter (CH):
Possibilities and Barriers for Retailing Organic Products
The marketing of organic products are some times a barrier for increased organic production, but what are the perspectives and the strategies for increased sales? Mr. Richter is a researcher at the Research Institute of Organic Agriculture in Switzerland (FIBL). Mr. Richter has conducted several international studies of retail chains concerning their activities in the marketing of organic products.

Mr. Prof. Dr. Ulrich Hamm (DE):
Promotion Strategies and Arguments for Organic Food in European Countries
Promotion strategies and arguments differ from country to country but often they do not meet consumers interest. Mr. Hamm is a professor for Agricultural Marketing at the University of Neu brandenburg. He has conducted several international studies regarding organic consumers and marketing of organic products.
PARALLEL THEME 9

Research as a Tool for Development of the Organic Sector

Organic farming represents an alternative view of agriculture and food production. Concerns for the environment, biodiversity, rural development, animal welfare, food quality and safety are essential elements of the philosophy behind organic agriculture. Since organic production addresses many of the difficulties faced in current agricultural practices, research in this area can be expected to gain considerable benefits for agriculture and society in general. In this context a number of European countries have undertaken major, full-scale research programmes aiming at developing organic farming. This research has e.g. provided new knowledge on the opportunities for establishing productive and sustainable production systems. Research is obliged to contemplate the holistic perspectives, the goals and values relating to organic agriculture. In the individual research project these very complex issues must be considered to be complementary to the quality requirements for research in general. Research with relevance for organic farming can be undertaken in a variety of disciplines, however there appears to be a need for a European framework that promotes research, which will contribute more directly to the development of organic production, and thereby to a sustainable European agriculture as a whole.

MODERATOR

Mr. Erik Steen Kristensen (DK),
Head of Danish Research Centre for Organic Farming, DARCOF.

RAPPORTEUR

Ms. Anne Konsti (FI),
Informationist, Partala Information Services for Organic Agriculture, Finnish boardmember of the IFOAM EU Group.

SPEAKERS

Mr. Urs Niggli (CH):
Challenges to Research and Research Organisation in Organic Farming
Mr. Niggli is head of the Research Institute of Organic Agriculture (FiBL). He will give an introduction to research and research methodology in organic farming in Europe.

Mr. Bertil Sylvander (FR):
Organisation of Research in Organic Farming and Future Perspectives
Mr. Sylvander is Director of research at the Institute National de la Reserche Agronomique (INRA) in France and co-ordinator of the research programme on Organic Farming. He will present the organisation of the research programme in France in relation to the challenges for organic farming at European level.

Mr. Bent Claudi Lassen (DK):
The Importance of Research in Organic Farming and Processing
Mr. Claudi Lassen is a farmer and chairman of the “Research and food Committee” at the Danish Agricultural Council. Among others, he will address the overall challenges to European research and the systems in organic farming.
CONFERENCE PROGRAMME

Mr. Xabier Goenaga: (ES)
Research in Organic Production in the EU-framework Programmes
Mr. Goenaga is Head of Unit in DG Research. The presentation will cover research activities funded by the Community within the fourth and fifth Framework Programmes as well as those addressed within the Food Safety and Health Risks priority of the Commission proposal for the new Framework Programme (2002-2006).
The Danish Ministry of Food, Agriculture and Fisheries

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