

Q&A on the informal agreement on reform of EU organic food rules

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New EU rules to encourage more farmers grow organic, tighten controls and boost consumer trust in organic food were informally agreed on Wednesday by Parliament's and Council's negotiators.

To find out more about organic farming, the scale of it in the EU, current regulation, why the reform was needed and what was agreed, read the background note below.

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What is organic farming?

Organic farming is an overall system of farm management and food production that combines best environmental and climate action practices, a high level of biodiversity, the preservation of natural resources, the application of high animal welfare standards and production standards in line with the demand of a growing number of consumers for products produced using natural substances and processes.

Organic farming thus plays a dual societal role, where it, on the one hand, provides for a specific market responding to consumer demand for organic products and, on the other hand, delivers publicly available goods contributing to the protection of the environment and animal welfare, as well as to rural development.

The organic production plays a leading role in establishing more sustainable farming and food systems and to that end pursues objectives which are inherent to all the EU agricultural product quality schemes including protected designation of origin, protected geographical indications, traditional specialities guaranteed and products of mountain regions and of the outermost regions of the Union.



How big is organic farming in the EU?

The organic farming sector in the EU encompasses more than 250 000 producers in agriculture and 455 in aquaculture (Eurostat, 2014), as well as their suppliers, food manufacturers, importers and distributors who all have to comply with strict rules.

The agricultural area under organic cultivation in the EU28 has increased from 5.7m ha in 2002 to 10.8m ha in 2014. Nevertheless, this still represents less than 6% of the total EU agricultural area. (EPRS calculation)

Around one in eighth organic producers around the World, i.e. roughly 260,000 farmers, are situated in the EU. Italy is the country with the largest number of organic producers (46 000), followed by Spain (30 000), and Poland (26 000).

In 2013, the value of the EU organic market was €22.2 billion, and the overall growth rate was approximately 6% from the 2012 figures. Germany is the largest EU market (€7.6 billion) followed by France (€4.4 billion), the United Kingdom (UK, €2.1 billion), and Italy (€2 billion).

The per-capita consumption of organic products in the EU is higher than in other parts of the world. The highest per-capita consumption in 2013 was reached in Denmark (€164), Luxembourg (€157), Austria (€127 in 2011), Sweden (€107), and Germany (€93).

Within the EU organic market, certain products are more in demand than others. Fruit and vegetables, the pioneer organic products, now have shares of around one fifth of many national organic markets and are especially prominent in Italy, Ireland, Sweden, and Germany. In northern Europe, animal products, especially milk and dairy products, represent a substantial share of all organic products (up to 20%).

Meat and meat products are very successful and account for around 10% of the organic market in Belgium, the Netherlands, Finland, and France. However, organic animal production still remains limited in comparison with total EU animal production (between 0.5 and 4% depending on the animal species).

Beverages, mainly wine, attract a substantial part of the market; more than 10% in France and Croatia. Hot beverages (coffee, tea, and cocoa) represent 3% to 5%.

Grain mill products, which are easily stored in supermarkets, reach high shares in the Czech Republic and in Finland. Bread and bakery products have an important place in the organic product range, with around 10% in the Netherlands, France, Sweden, Finland, and Germany.

The vast majority of Europeans buy their organic products in specialised shops (67%) and supermarkets (65%). However, there are important variations in marketing channels across countries.

Sources: EPRS Briefing, May 2015 and EPRS Briefing October 2015)



Why was the reform of organic farming necessary?

The development of organic production is a political objective of the EU and although its organic market has constantly expanded, the EU's organic land area still represents less than 6% of the total agricultural area with the difference between EU demand and production covered by growing imports.

To encourage more farmers into the organic sector and increase consumers' trust in the EU organic logo the European Commission came up in March 2014 with the current legislative proposal.



Reform: How to improve controls of organic products to increase consumers' trust in them?

MEPs and Council rejected Commission's suggestion to move all the control provisions into the regulation on official controls for food and feed. Parliament claimed that organic farming requires specific rules to tackle food fraud and enhance consumer confidence.

The Commission's approach to adapt the nature and frequency of controls to the risk of occurrence and seriousness of non-compliance with EU organic production rules was nevertheless endorsed. However, MEPs ensured that controls regime under new rules would in general include at least one annual physical on-site checks of compliance with EU standards that farmers, breeders, processors, traders and importers would have to undergo. Only if the operators presents a low-risk profile and if there is no non-compliance discovered in the past three years, the frequency of on-site physical checks could be reduced to one in two years.

The controls should not be limited to the final products, as the Commission suggested, but should be done throughout the organic production chain to ensure traceability of each organic product at all stages of its production, preparation and distribution and to give consumers guarantees that organic products they buy are truly organic.



Reform: How to ensure that organic foodstuffs are not contaminated by pesticides?

To protect small farmers in particular from the costs of actions beyond their control, for instance adventitious contamination from neighbouring conventional farms using certain plant protection products, Parliament and Council rejected the Commission's proposal to define, at this stage, stricter EU-wide thresholds for presence of non-authorised substances in organic products than in conventional products.

MEPs instead pushed for a system focusing much more on EU-harmonised precautionary measures and in case of contamination punish irresponsible operators but reward farmers who did their utmost to avoid it.

To this end, new rules will increase responsibility and accountability of organic operators throughout the supply chain for using only authorised techniques and adhering to organic production rules by introducing new precautionary measures that they are obliged to take to avoid contamination with prohibited substances throughout the supply chain

If farmers, processors, traders or importers suspect a breach of organic production rules, they should separate the product, withdraw it from the market and notify control authorities. These should then conduct further investigation and in the meantime ensure that the product will not be placed on the market as an organic one.

If the investigation concludes that the organic product has been contaminated with pesticides and that the contamination was a result of a deliberate fraud or was caused by a negligent behaviour of the operator - for instance by not applying the precautionary measures or by ignoring advices made by competent national authorities and control bodies - the product would lose its organic status and could be marketed only as a conventional one.



Reform: So will there be no thresholds for pesticides in organic products?

EU thresholds for conventional products automatically apply to organic ones too. Member States that have specific stricter national thresholds for non-authorised substances in organic products are allowed to do so on condition that these national rules do not prohibit, restrict or impede on their territory the placing on the market as organic of products produced in other Member States in compliance with general EU organic rules.

Finally, by 2024 the Commission should come up with a report on how the new EUharmonised provisions to avoid the presence of non-authorised substances and national thresholds currently in place work in practice and, if need be, table a legislative proposal to harmonise them further.



Reform: Will farms be able to continue combining conventional and organic production?

As a derogation to the general principle proposed by the Commission to forbid mixed farms, i.e. those producing both conventional and organic food, the final text allows such holdings to continue to exist if they can be effectively separated into clearly distinct production units.

To avoid contamination and potential fraud on mixed farms, farmer and other operators should ensure separation of inputs needed for organic and conventional production and of the final products. Mixed farms should involve different livestock species and plant varieties in conventional and organic production, says the agreed text. More specific rules on ways to ensure quality, traceability and effective separation of organic and conventional production should be defined by the Commission via delegated acts.



Reform: How to make sure that imported organic foodstuffs are trustworthy too?

To improve consumers trust in EU organic foodstuffs, MEPs and ministers backed Commission's proposal to do away with equivalence rules, which require imports from third countries to comply only with rules only similar to the ones applied in the EU. After the transitional period of five years, i.e. from 2025, all imported products should comply with tough EU standards, they say.

However, to avoid disruptions of supply on the EU market, the Commission will be empowered to authorise the use of products and substances in third countries and in the EU's outermost regions, which would not comply with EU standards anymore, for organic production. The authorisation would be issued for a renewable period of two years and could be justified by differences in the ecological balance in plant or animal production or by specific climatic conditions. This would effectively allow the final imported product to bear the organic label.

Equivalent production methods in third countries could be recognised under trade agreements.



Reform: How to increase organic seed supply and help it meet the high demand?

To tackle the current unavailability of organic seeds in the EU MEPs insisted on introducing more transparency into the current market situation shedding more light on the existing supply and demand. This, they believe, could encourage seed producers to invest more into developing organic varieties and help the EU to do away with current derogations allowing non-organic seeds to be used in organic production.

MEPs therefore pushed through an idea to set up a computer database of organic plant reproductive material in each member state and to establish national systems that could connect organic farmers with operators who are able to supply organic reproductive material in sufficient quantities within a reasonable time.

If the collected data show that the quality and quantity of organic reproductive material is still insufficient, the competent authorities could continue to allow farmers use non-organic seeds to produce organic-labelled foodstuffs.

Parliament also pushed for legalising the use of the so-called organic heterogeneous material, that is usually traded and used locally, and take it thus out of the grey area. MEPs also managed to adapt production criteria for organic varieties produced by professional breeders so that they would be tailored to specific needs and constraints of the organic production.

All derogations should end in 2035 but could be done away with earlier or could be extended further if the Commission finds out - in a report due in 2027 - that there is still lack of plant reproductive material on the market.



Reform: Will there be climate-specific rules for Nordic member states?

At Parliament's request, the principle of soil-based production, meaning that plants have to be grown in living soil, has been defined as a basic organic farming rule. Hydroponic production, i.e. growing plants in water solvent, should be by default prohibited.

Nevertheless, Parliament's, Council's and Commission's negotiators agreed that growing crops in demarcated beds shall continue to be allowed only for those surfaces in Denmark, Finland and Sweden that have been certified as organic before 28 June 2017. Extension of these surfaces will not be allowed and the derogation will end in 2030, it adds.

The Commission should report back to the Parliament and the Council in 2025 on the use of demarcated beds in organic agriculture. If necessary, the report could be accompanied by a legislative proposal on the matter, says the agreed text.

Background

How old are current rules and what EU laws regulate now the organic farming?

The first EU legislation on organic farming - Council regulation (EEC) No 2092/91, was adopted in 1991. It reflected and recognised the growing importance of the organic movement in Europe, with a new organic market which had developed over decades without any specific public support. Legislation was first limited to plant products. It was revised in 1998 and in 2007, to include animal products and further rules for processing, controls and marketing.

The current legal framework is based on Council Regulation (EC) No 834/2007 on organic production and labelling of organic products, which outlines the objectives and principles of organic agriculture, fixes general production rules, and describes the organic production standards and the control system and labelling requirements. The Commission subsequently adopted two implementing regulations: Commission Regulation (EC) No 889/2008, which completed the standard with detailed production rules, labelling rules and control requirements, and Commission Regulation (EC) No 1235/2008, which implemented the new import regime.

Since 2009 the legislative framework has been continually updated. Among the updates worth mentioning are the two major blocks on production standards for aquaculture (2010) and wine production (2012) and the equivalency agreements reached with Canada (2011) and the US (2012).

In 2010 a new EU organic logo was launched symbolising the unique set of legal organic rules valid all over the EU. The use of the 'organic leaf' is obligatory for pre-packed EU products and optional for imported products.

Thanks to a harmonised EU legal framework, organic farming has developed quite quickly in the European Union, because farmers and food producers had sufficient guarantees that there was a stable legal framework underpinning their intention to switch over to organic farming and food production. (Source: EP Research Briefing, October 2015)

Background

What are the next steps?

The text agreed by MEPs, the Maltese Presidency in the Council and the Commission will now have to be endorsed by the Agriculture committee, the full Parliament and the Council before it can be signed, published in the EU's Official Journal and enter into force. New rules should apply from 1 July 2020.



What was the composition of the EP negotiating team?

- Martin Häusling (Greens/EFA, DE), rapporteur and chief EP negotiator
- Norbert Lins (DE), shadow rapporteur for EPP
- Eric Andrieu (FR), shadow rapporteur for S&D
- Julie Girling (UK), shadow rapporteur for ECR
- Ivan Jakovčić (HR), shadow rapporteur for ALDE
- Lidia Senra Rodríguez (ES), shadow rapporteur for GUE/NGL
- Marco Zullo (IT), shadow rapporteur for EFDD