

Quality and quantity of support for
organic farming
in national and regional Rural
Development programmes

Evaluation of implementation of
Action 6,
European Action Plan for
Organic Food and Farming

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European Organic Action Plan - Action 6

The Commission strongly recommends Member States to make full use within their rural development programmes of the instruments available to support organic farming, for example by developing national or regional Action Plans focussing on:

- stimulating the demand side by using the new quality schemes;
- actions in order to preserve the benefits for the environment and nature protection on the long term;
- developing incentives to organic farmers to convert the whole instead of part of the farm;

- organic farmers having the same possibilities for receiving investment support as non-organic farmers;
- developing incentives to producers to facilitate the distribution and marketing by integrating the production chain by (contractual) arrangements between the actors;
- support to extension services;
- training and education for all operators in organic farming, covering production, processing and marketing;
- targeting organic farming as the preferred management option in environmentally sensitive areas (without restricting organic farming to these areas).

Member State	Relation pillar I:II Based on EU budget	
	%I	%II
Ireland	96	4
Denmark	94	6
The Netherlands	94	6
Belgium	93	7
France	87	13
United Kingdom	86	14
Germany	83	17
Italy	81	19
Sweden	75	25
Luxembourg	74	26
Greece	73	27
Spain	72	28
Finland	67	33
Austria	57	43
Portugal	57	43
Cyprus	54	46
Czech Republic	47	53
Hungary	47	53
Lithuania	40	60
Poland	39	61
Slovakia	36	64
Slovenia	28	72
Estonia	27	73
Latvia	27	73
Malta	15	85
Romania	0,6	99,4
Bulgaria	0,05	99,95
Total	77	23

Member State	Relation pillar I:II EU + national budget	
	%I	%II
Ireland	94	6
Denmark	90	10
The Netherlands	89	11
Belgium	83	17
France	78	22
United Kingdom	77	23
Germany	75	25
Italy	68	32
Greece	66	34
Sweden	58	42
Spain	57	43
Portugal	51	49
Luxembourg	41	59
Czech Republic	41	59
Austria	40	60
Hungary	39	61
Finland	38	62
Cyprus	37	63
Lithuania	34	66
Poland	33	67
Slovakia	30	70
Slovenia	23	77
Estonia	23	77,4
Latvia	22	78
Malta	12	88
Romania	0,5	99,5
Bulgaria	0,04	99,96
Total	67	33

The Rural development measures are allocated along three thematic axes:

- Improving the competitiveness of the agricultural and forestry sector (measures for farm modernisation, setting up and use of advisory services, participation in food quality schemes, adding value to agricultural and forestry products, etc.)
- Improving the environment and the countryside (Agri-environmental programmes, natural handicap payments, etc.)
- Improving the quality of life in rural areas and encouraging diversification of the rural economy. (Measures for diversification into non-agricultural activities, tourism activities, conservation and upgrading of rural heritage, etc.)

A comparison of the programmes throughout Europe shows that Member States mostly set priorities on Axis 1 and Axis 2, by implementing investment and advisory measures on the one hand and agri-environmental schemes on the other hand.

The quality of the single measures strongly depends on the political interest and the allocated budget. The highest budget share of the total Rural development budget is given to Axis 2 in Ireland (80 %), Finland, Austria (74 %), UK, Sweden and Denmark (65 %). A very low share is given in Romania, Bulgaria, Malta, Latvia and the Netherlands (26 – 30 %), near to legal minimum 25%.

Eleven of the EU-27 give a high priority to Axis 1, especially to measure 121 "modernisation of farms": Between 50 – 40 % of the RD budget is reserved to Axis 1 in Belgium, Latvia, Portugal, Hungary, Spain, Greece, Cyprus, Romania, Lithuania, Poland and Bulgaria, - seven countries belong to the "new Member States".

The most common measures on EU level are agri-environmental payments (measure 214) that get 22% of the EU Rural Development funds (20.3 billion Euro), and "modernisation of agricultural holdings" (measure 121), that apply for 11% (9.6 billion Euro) of the RD funds.

Share Axis I

Belgium	49,2
Latvia	48,7
Portugal	46,8
Hungary	46,5
Spain	45,3
Greece	44,0
Cyprus	44,0
Romania	44,0
Lithuania	41,7
Poland	41,4
Bulgaria	40,8
Italy	38,2
Estonia	38,0
France	37,7
Malta	34,9
Slovenia	33,4
Slovakia	32,1
NL	30,1
Lux	28,4
Germany	28,0
Czech R	22,5
Denmark	20,2
Sweden	15,5
Austria	14,1
UK	11,9
Finland	11,2
Ireland	10,3

Share Axis II

Ireland	79,7
Finland	74,0
Austria	73,7
UK	72,9
Sweden	70,4
Denmark	64,6
Lux	58,9
Czech R	55,5
Slovenia	52,5
Slovakia	51,0
France	50,6
Italy	44,7
Cyprus	44,2
Portugal	42,3
Germany	41,1
Spain	39,4
Lithuania	39,4
Estonia	39,0
Belgium	36,7
Greece	35,7
Hungary	34,2
Poland	34,1
NL	29,9
Latvia	29,2
Malta	27,2
Bulgaria	27,0
Romania	26,0

Share Axis III

Malta	33,6
NL	30,0
Bulgaria	29,7
Romania	27,4
Germany	24,9
Poland	19,7
Latvia	19,5
Czech R	17,0
Greece	14,1
Slovakia	13,8
Hungary	13,6
Estonia	13,0
Lithuania	12,4
Slovenia	11,1
Finland	9,5
Cyprus	9,1
UK	9,0
Belgium	8,9
Italy	8,7
Sweden	8,2
Lux	6,9
Austria	6,6
France	6,6
Denmark	5,3
Spain	3,8
Portugal	0,4
Ireland	0,0

- The Rural development regulation 1698/2005 offers a spectrum of measures that can potentially support organic farmers and the organic sector in a way that is required by Action 6, European Action Plan The analysis shows, that all the evaluated programmes foresee measures for organic farming - with significant differences in quality.
- The main measure is the per hectare premium for converting land to organic farming, usually offered 3-5 years. Many programmes additionally offer support for converted land, which is lower and only a few countries grant the same level of support for conversion and maintenance.
- Depending on the regions, per hectare-support is offered to different types of production, from grassland and arable land in general to specialised production, typical for certain regions. A few programmes (e.g. Spain) offer a per capita-premium for cattle, as well as support for bee-keeping.
- A common problem for the incentive to convert to organic farming in many cases is the small gap in the level of support for organic and conventional production.

Axis 2 – Evaluation of Agri-environmental programmes Action 6 requirement: "Actions in order to preserve the benefits for the environment and nature protection on the long term".

The most important measure in Rural development programmes, with direct impact on the development on the number of organic farms or the share of organic land still is the agri-environmental programme with its specific measure for organic farming and additional measures that can be used by conventional and organic farmers as well summarised under axis II. The majority of Member States offers per hectare payments for conversion and/or maintenance of organic area. Depending on the per hectare premium for organic surfaces (or per capita in case of animal premium) and the difference between organic and conventional premium, the measure can have more or less, positive or negative impact on the share of organic farms or area.

Several Member States or regions only offer **support during the conversion period** (e.g. most regions of France), others **vary the level of support** (higher aid during the conversion period, lower for maintenance – most German Länder, Italian regions, Spanish regions, some French regions, Ireland, Hungary), some grant the **same premium for both** (Sweden, Czech Republic, Hungary, Finland, Austria).

The **maximum level of support** for arable land reaches up to 314 Euro per hectare (Saxony) for the conversion period and up to 285 Euro per hectare (Austria) for converted land, but this level of support is exceptional, compared to most other programmes.

The **focus of the measure usually is adapted to regional circumstances**, support is given to certain types of production. For example, Spanish regional programmes offer support a list of different production types, dependent on the region – arable land, irrigated and non-irrigated fruit production, wine production, olives, citrus orchards. permanent pasture, etc.. A second approach is to give the focus on production types that seem to be interesting for market production and need an incentive to become started. Both approaches can be observed throughout Europe, and appear to be useful, but tend to exclude other production types that might need support as well.

- Support for arable Land, vegetable and fruit production, horticulture etc.

Member State/Region	Conversion (Euro per ha)	Maintenance (Euro/ha)
Czech Republic (arable land)	155	155
Czech Republic (vegetables, herbs)	564	564
Germany National framework (arable land)	210	170
Germany National framework (vegetables)	480	300
Germany National fw (permanent crops)	900	720
Ger Bavaria (arable land)	300	210
Ger Baden-Württemberg (arable land)	150	150
Ger Brandenburg/Berlin (arable land)	137	137
Ger Hessen (arable land)	160	160
Ger Mecklenburg-Vorpommern (arable land)	135	135
Germany Niedersachsen (arable land)	262	137
Germany Nordrhein-Westfalen (arable land)	262	137
Germany Rheinland-Pfalz (arable land)	200	120
Germany Saarland (arable land)	0	116
Germany Sachsen (arable land)	314	164
Germany Sachsen-Anhalt (arable land)	160	160
Germany Schleswig-Holstein (arable land)	262	137
Germany Thüringen (arable land)	187	187

SpainAndalucía (alfalfa)	183,7	183,7
SpainAndalucía (rice, grapes, horticulture)	600	600
SpainAndalucía (nuts)	123,1	123,1
SpainAndalucía (irrigated orchards)	588,6	588,6
SpainAndalucía (vine)	230,2	230,2
SpainAndalucía (cotton)	360,9	360,9
SpainAndalucía (citrus orchards)	510,4	510,4
Spain Murcia (Citrus, orchards irrigated, grapes)	900	720
Spain Murcia (nuts, orchards non-irrigated)	300	240
SpainMurcia (vineyards)	700	560
SpainCastilla-La Mancha (rice)	600	600
SpainCastilla-La Mancha (nuts)	249	249
SpainCastilla-La Mancha (olives)	329	329
SpainCastilla-La Mancha (orchards)	349/398	349/398
SpainCastilla-La Mancha (grapes)	555	555
SpainCastilla-La Mancha (citrus orchards)	535	535
SpainCastilla-La Mancha (wine)	291	291
SpainCatalunya (cereals irrigated)	219	175
SpainCatalunya (cereals non-irrigated, fodder)	127	102
SpainCatalunya (fodder irrigated)	170	136
Spain Catalunya (citrus orchards)	500	400
SpainCatalunya (orchards)	420/380	336/304

Hungary (arable land)	182	126
Hungary (vegetables)	332	176
Austria (arable land)	285	285
Austria (veg., herbs/spices, strawberries)	450	450
Austria (wine, orchards, hops, tree nursery)	750	750
Austria (greenhouse glass/plastic)	4200/2900	4200/2900
Sweden (grain, protein crops, flax, fodder beets, other animal crops)	144,4	144.4
Sweden (oil plants, linseed flax, brown beans, grass seed ley)	244,2	244,2
Sweden (potatoes, sugar beet, vegetables)	555,6	555,6
Sweden (arable land, animal husbandry)	177,8	177,8

Support for grassland, animal husbandry

Member State Region	Conversion (Euro/ha)	Maintenance
Czech Republic (permanent grassland)	71	71
GermanyNational (grassland)	210	170
GermanyBavaria (grassland)	300	210
GermanyBaden-Württemberg (grassland)	150	150
GermanyBrandenburg/Berlin (grassland)	131	131
GermanyHessen (grassland)	160	160
GermanyMecklenburg-Vorp(g) (grassland)	135	135
GermanyNiedersachsen (grassland)	262	137
GermanyNordrhein-Westfalen (grassland)	262	137
GermanyRheinland-Pfalz (grassland)	200	120
GermanySaarland (grassland)	0	116
GermanySachsen (grassland)	314	164
GermanySachsen-Anhalt (grassland)	137	137
GermanySchleswig-Holstein (grassland)	262	137
GermanyThüringen (grassland)	187	187

Ireland (grassland)<55ha/>55 ha	212/30	106/15
Spain Andalucía (non-poultry)	201/LU	201/LU
Spain Andalucía (poultry)	249/LU	249/LU
SpainAndalucía (grassland)	183,7	183,7
Spain Murcia (grassland)	90	72
SpainCastilla-La Mancha (grassland)	287	287
SpainCastilla-La Mancha (animal)	159/LU1	59/LU
France (grassland)	100	80
ItalyLiguria (grassland)	180	170
ItalyVeneto (grassland)	260	208
ItalyVeneto (pasture)	100	80
ItalyAbruzzo (cereals, seed)	180	150
ItalyAbruzzo (potatoes, beets, veg.)	500	400
ItalyAbruzzo (fodder plants)	120	100
ItalyToscana (fodder crops)	125	125

Hungary (grazing)	107	107
Hungary (mowing)		
(Non-Natura 2000 / Natura 2000)	63/32	63/32
Austria (grassland)	240	240
Austria (fodder crops)-25% arable land/>25%	285/240	285/240
Finland (livestock unit)	267/LU	267/LU
Sweden (grassland)	88,9	88,9
UKEngland	60 £	(67 €)

Apart from agri-environmental payments, several measures of Axis 1 and Axis 3 are suitable to meet the requirements of Action 6.

Better conditions for organic farms offer several programmes through measure 121 "Farm modernisation" for investments and through measure 123 "Adding value to agricultural and forestry products". Several programmes offer measure 132 "Participation in food quality schemes" for refunding certification costs.

A good example for a package of measures for organic agriculture is the Czech national programme, from the level of the organic per hectare support, to better conditions in receiving investment funds, support for processing and marketing, setting up of young farmers, tourism activities and diversification into non-agricultural activities.

Some Spanish programmes show good support on the production side through the agri-environmental programme, especially for locally important crops and animal husbandry.

Conclusions

- The European Action Plan for Food and Farming (COM(2004)415 final) contains the main instruments for the European-wide development of the organic sector. Action 6 relates the Action Plan to the instruments of the CAP and recommends the full use of the Rural Development programmes for the support of organic farming in the Member States.
- For a proper implementation of the Action 6 of the Organic Action Plan, this recommendation should be reflected in all the Member States' Rural development programmes, first in the general considerations for the programme, then by setting aims for the development of the organic sector in the Member State (region) and – at least – by defining tools to reach the aims through comprehensive measures and a substantial budget for the sector

- Regarding the existing national and regional Rural development programmes, most Member States have failed to sufficiently implement Action 6:
- Several Member States' programmes lack – in their considerations and explanatory statements for the conception of the Rural development programmes - the connection to the EU Action Plan, which can be interpreted as missing implementation of Action 6.
- Other Member States link their considerations and justifications for certain measures to the relevant Community documents and therefore to the EU Organic action plan. A group of Member States have set organic farming as a priority for the Rural development programme in general. Both can be regarded as implementation of Action 6, but does not necessarily guarantee the quality of the programme from the point of view of organic farming.

- Common to nearly all the programmes are aims for the further development of organic farming that should be achieved during the period 2007-2013. These aims reach from maintaining the existing surface and number of organic farms to raising the number of farms, developing the product range and product quality by supporting processing and marketing projects.
- Member States took up the recommendations of the Strategic guidelines by implementing measures for organic farming in Axis 2 – inside the Agri-environmental programme. Support for organic surfaces - at least for conversion – is offered through most programmes.

- Additional measures for organic farming can only be found in some of the national and regional Rural Development programmes, though most of the programmes mention organic farming as one of the priorities for certain measures – mainly in Axis 1: In particular, measure 121 "Farm modernisation", measure 123 "Adding value to agricultural and forestry products", measure 132 "Supporting farmers who participate in food quality schemes", measure 133 "Supporting producer groups for information and promotion activities for products under food quality schemes". Clear preference for organic farms or projects is offered only in a few programmes throughout Europe.
- In general, Member States should dedicate a certain budget per measure to organic farming, and/or to treat applications from organic farmers with priority and/or grant higher support for organic projects.

The main factors for proper implementation of Action 6 of the European Organic Action Plan in the national and regional Rural development programmes are:

- Larger share of 2nd pillar budget in CAP budget in the Member States (especially in "old" Member States)
- Effective use of Rural development budget with targeted use for the organic sector by defining ambitious aims and delivering appropriate budgets for reaching the aims.
- Effective support in agri-environmental programmes

- Organic farming measure is the top-level measure in the programme, with a considerable gap in the level of support to other measures.
- No discriminations for organic farmers in agri-environmental measures, e.g. lower support level for organic surfaces in the same measure, maximum support level per hectare/per farm too limited to give incentive to conversion to organic farming, ...
- Setting priority for organic projects and farmers in Axis 1 and Axis 3 measures to support and develop the organic sector from "the field to the fork".

THANK YOU

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