

Biofach Session: The European Action Plan for Organic Food and Farming - Do we need new approaches to organic farming policy?



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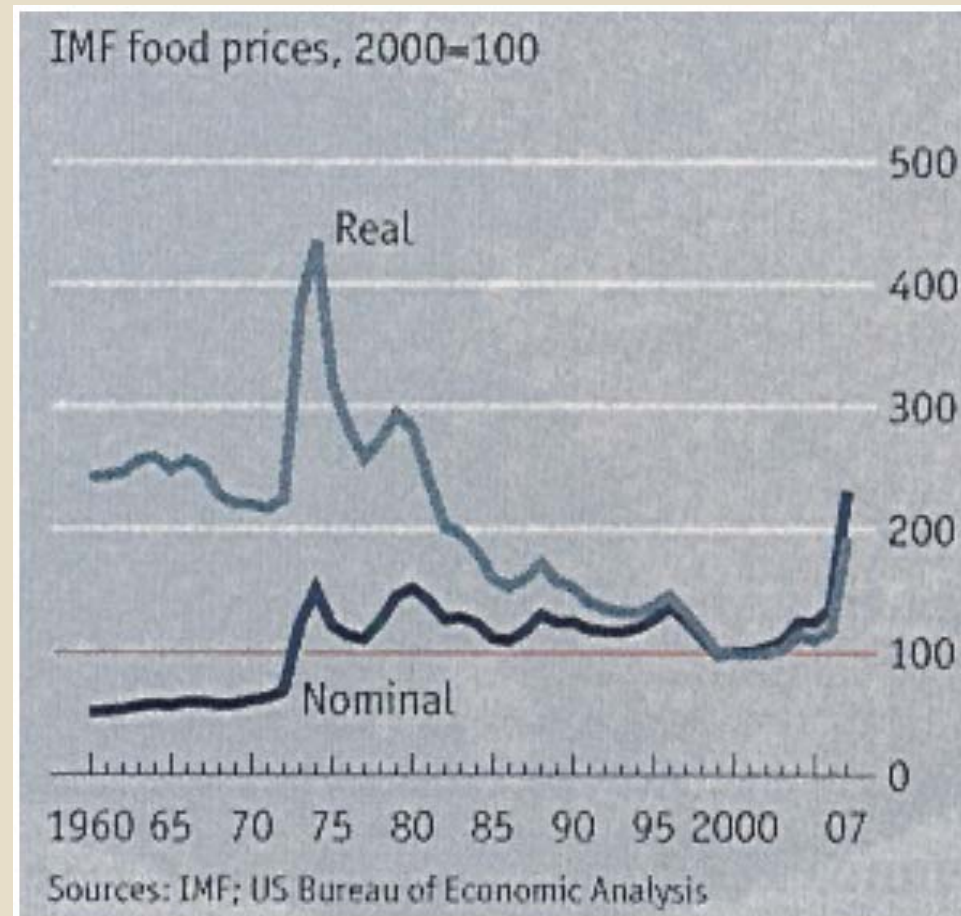


Starting hypothesis: Megatrends will shape future agricultural policies



- The end of the global agricultural treadmill
- Climate change, both with respect to mitigation and adaptation
- Demand for quality and high value foods will increase

The agricultural treadmill: Development of agricultural prices in the 20th century



The end of the treadmill?



- Technological progress in agriculture (and consequently growth in supply) was quicker than growth in (inelastic) demand
- This led to
 - A tendency to depressed and highly fluctuating farm incomes
 - Negative environmental consequences
- Agricultural policy as a remedy to these problems
 - created new problems (e.g. trade conflicts, surplus production) and aggravated others
 - Organic farming policy as part of more general agricultural policies

The end of the treadmill?



- **Factors beyond traditional agricultural policy**
 - Demand on world markets for agricultural products has been strongly increasing
 - Bioenergy as an emerging policy area
 - Slow down of technological progress in agriculture in some areas (?)
- **In agricultural policy**
 - Some “side effects” of traditional income supporting policies are seen as unacceptable
 - ✦ Reform of 2003 & “Health check”; decoupling, agri-environmental policies
 - Viability of 1st pillar direct income support in the medium to long run?

What does this mean for organic farming policy?



Conceptually:

- Surplus reduction as a motive to support organic farming has vanished
- More important become
 - Environmental aspects, especially contribution to climate change mitigation
 - Productivity and adaptive capacity in climate change, low productivity is a disadvantage

Important new questions towards organic farming



- How do organic farming systems perform with respect to their adaptive capacity to climate change?
- Can economic instruments be developed that support organic farmer's in dealing with market volatility?
- How is the mitigation potential of organic farming if the lower productivity is fully taken into account?
- Is there room to increase productivity of organic farming without jeopardizing it's environmental advantages?
- Are there possibilities to integrate some forms of bioenergy into organic farming?

If the assumptions on the megatrends are correct...

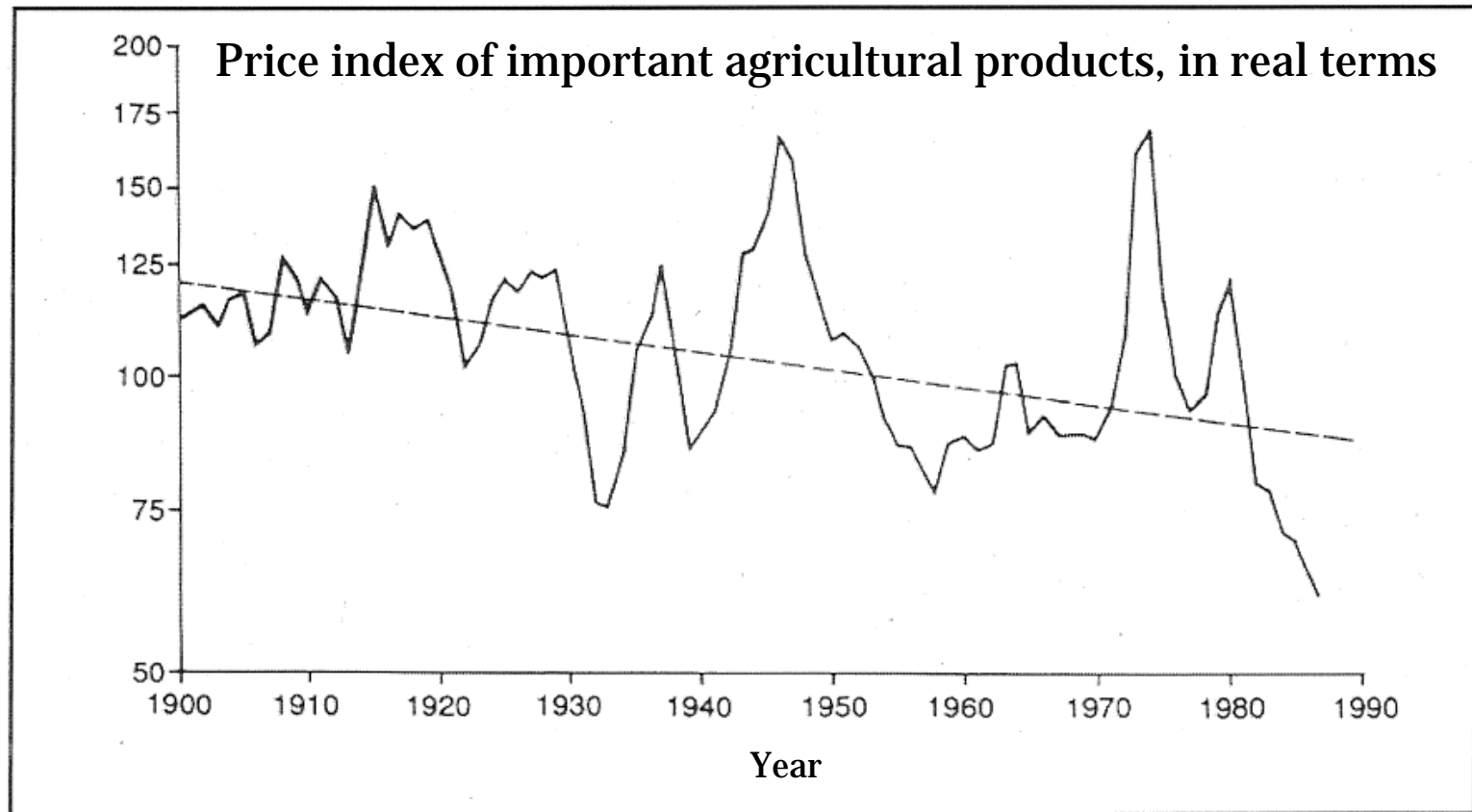


- To continue and enhance the traditional per hectare organic support policies will become more difficult
- There is a new set of justifications for policy intervention, the organic sector needs new arguments
 - Proven effects with respect to climate change mitigation and adaptation are more important arguments than in the past
- Productivity is becoming more important, RTD for increasing productivity of organic farming is even more important than in the past
- Quality assurance will stay high on the agenda for organic farming. Progress in information technology opens up new paths for quality assurance and efficient and reliable certification systems. This needs more exploration.



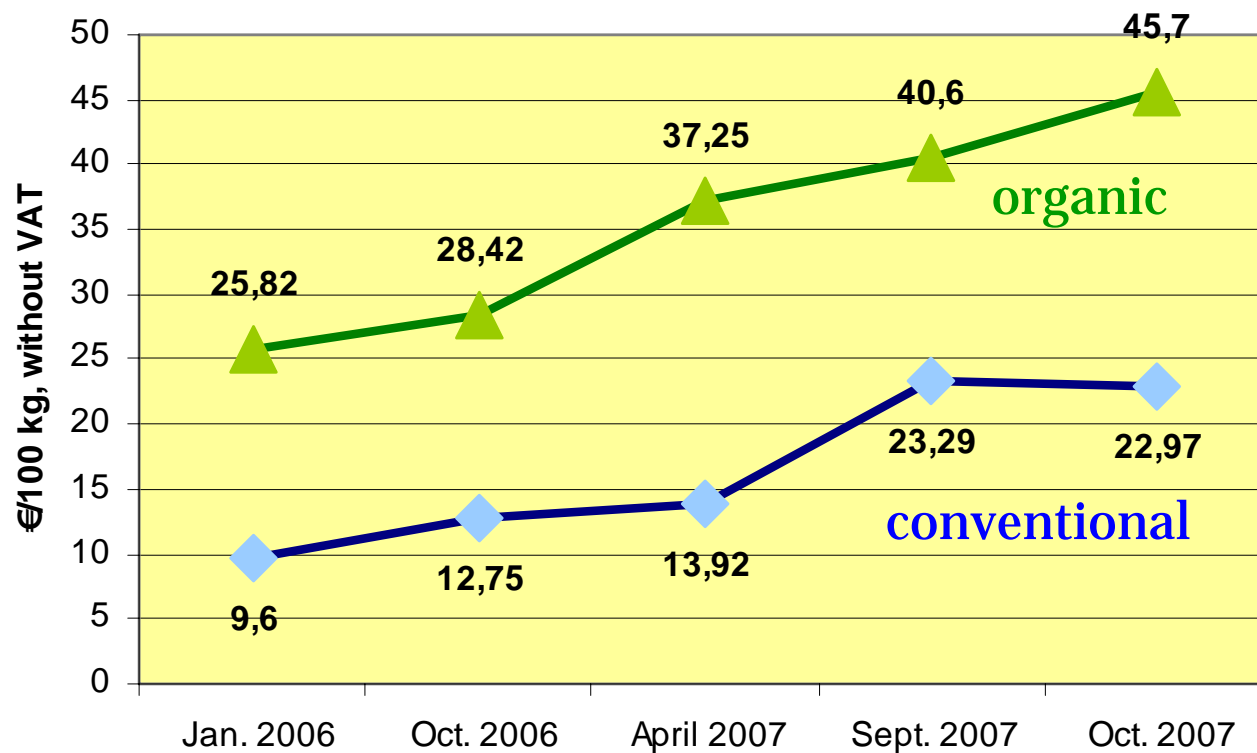
*Thank you for
your attention!*

The agricultural treadmill: Development of real agricultural prices in the 20th century



Source: Tyers and Anderson 1992, quoted after von Witzke 2007

The end of the treadmill? Producer prices for bread wheat in Germany



The end of the treadmill? Development of organic and conventional milk prices in Germany

