

European organic farming policies: an overview

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Abstract – Organic farming has expanded rapidly in Europe since the 1980s. A key factor is the widespread use of policy support in recognition of environmental and other benefits. Agri-environmental payments are the main form of support. In 2003, almost 54% of the certified organic land area in the EU27 & CH was supported at a cost of €635 million. The increase in supply thus stimulated led to a broader mix of measures, including research, training, advice, consumer promotion and market development. Many states have adopted an integrated action plan approach to optimise the policy mix.¹

INTRODUCTION

In 2004, organic farming in Europe covered more than 6 Mha (3.9% of EU agric. area) on 153 000 holdings (1.6% of all holdings) (Olmos and Lampkin, 2006). Certified organic farming accounts for 7-11% of all agricultural land in AT, CH, CZ, FI, IT, and SE, 4-6% in DE, DK, EE, GR, NO, PT, SI and UK, and 3% or less in other European countries (Table 3). In SE, another 7% UAA is managed organically with agri-environmental policy support, but is not certified or marketed as organic (Tuson and Lampkin, 2006).

Since the late 1990s, organic farming policy has developed from a one-dimensional area support instrument to more integrated approaches considering demand-oriented measures as well as cross-cutting instruments of information, training, research, education and capacity building. In many cases these policies are integrated in EU, national or regional action plans comprising comprehensive and target oriented approaches to organic farming policy (Lampkin and Stolze, 2006; Stolze et al., 2006).

ORGANIC FARMING POLICY PAYMENTS AND UPTAKE

All EU27/EEA states have implemented legal definitions of organic farming (OF) consistent with Reg. 2092/91 providing a basis for market development and policy support. Most states have also implemented area payments to support conversion to and (in most cases) continued organic production, with BG and RO due to introduce support (Table 1). However, payment rates (Table 2), eligibility conditions and requirements vary considerably between countries (Tuson and Lampkin, 2006).

Table 1. Organic farming policy instruments used, 2003/4.

	Action plan	Conversion payments	Maintenance payments	Advice, training, educ.	Research	Marketing & processing	Consumer promotion	State logo
AT	✓	✓	✓	✓	✓	✓	✓	✓
BE	✓	✓	✓	✓	✓	✓	-	-
BG	-	na	na	-	-	-	-	✓
CH	-	✓	✓	✓	✓	✓	✓	-
CZ	✓	✓	✓	✓	✓	-	-	✓
DE	(✓)	✓	✓	✓	✓	✓	✓	✓
DK	✓	✓	(✓)	✓	✓	✓	✓	✓
EE	-	✓	✓	✓	✓	-	-	✓
ES	(✓)	✓	✓	(✓)	✓	✓	(✓)	✓
FI	✓	✓	✓	✓	✓	✓	✓	-
FR	✓	✓	(✓)	✓	✓	✓	✓	✓
GR	-	✓	✓	✓	✓	✓	-	-
HU	-	✓	✓	✓	✓	-	-	-
IE	-	✓	✓	✓	✓	✓	-	-
IT	✓	✓	✓	✓	✓	✓	(✓)	(✓)
LT	✓	✓	✓	✓	✓	✓	✓	✓
LU	-	✓	✓	✓	-	-	-	-
LV	-	✓	✓	✓	✓	✓	✓	-
NL	✓	✓	(✓)	✓	✓	✓	✓	-
PL	-	✓	✓	✓	✓	✓	✓	-
PT	✓	✓	✓	✓	✓	✓	-	-
RO	✓	na	na	✓	-	-	-	-
SE	✓	✓	✓	✓	✓	✓	✓	-
SI	✓	✓	✓	✓	✓	-	-	✓
SK	✓	✓	✓	-	-	-	-	✓
UK	✓	✓	(✓)	✓	✓	✓	-	-

Sources: Hrabalova et al., 2005, Tuson and Lampkin, 2006.

(x) qualifications apply, see original references for details.

na = not applicable

In 2003, the average OF area payment was highest (€404/ha) in GR, reflecting the then focus on high value crops, and lowest in the UK (€36/ha) reflecting low per ha payments on high areas of grassland. The EU15 average was €185/ha. Organic farming support through Reg. 1257/1999 accounted for ca. 5% of all agri-environmental contracts, 7% of supported area and 14% of expenditure. In absolute terms, expenditure on organic farming area support was highest in AT and IT (86 & 201 mill. € respectively), or 45% of the total EU27 & CH expenditure

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of €635 million, and lowest in IE and most new member states (Table 3). (This includes €132 million paid under the old Reg. 2078/92 schemes, but not other agri-environment payments received by organic farmers, e.g. for the REPS scheme in IE.

Table 2. Organic farming area payments (€/ha), 2003/4.

	In conversion		Continuing OF		Average payment
	Arable	Grass	Arable	Grass	
AT	327	251	327	251	291
(BE)	500-600	425-450	240-350	55-275	248
BG	na	na	Na	na	na
CH	526	131	526	131	
CZ	110	34	110	34	43
(DE)	200-300	200-300	150-190	150-190	182
DK	271	271	117	117	(78)
EE	97	74	97	74	85
ES	92	117	92	117	162
FI	147	103	147	103	119
FR	366	160	(183)	(80)	203
GR	335	(100)	335	(100)	404
HU	178	59	127	59	nd
IE	181	181	91	91	97
(IT)	150-200	100-200	100-200	100-200	337
LT	416	118	416	118	nd
LU	200	200	150	150	172
(LV)	139	139	82	81	nd
NL	(148)	(136)	(-)	(-)	227
PL	149	72	131	57	104
(PT)	228	210	190	175	141
RO	na	na	Na	na	na
SE	151	58	151	58	135
SI	460	230	460	230	243
SK	149	99	75	50	nd
(UK)	261	203	44	33	36

Sources: Hrabalova et al., 2005, Tuson and Lampkin, 2006.
(x) qualifications apply, see original references for details.
na = not applicable; nd = no data; NMS 2004 data used

The wide variability of uptake (share of supported area in certified organic area) indicates the influence that low support levels or strict requirements can have. The uptake of OF support was high (>70%) in most new and some central EU old member states, but low (<40%) in Mediterranean countries as well as in FR, NL and the UK partly due to the absence or low levels of support for converted land. In GR, the very low uptake of 8% is due to a rapid increase in the organic area in 2003 not yet reflected in the agri-environment scheme data.

Since the late 1990s there has been a significant increase in the use of market support policies including investment aids, consumer promotion and public procurement, although these are less common in the new member states (Table 1).

OUTLOOK AND CONCLUSIONS

The introduction of OF area support and legal definitions created the conditions for rapid growth of the organic sector in most countries, and research, training and advisory programmes have been implemented. In many cases, the resulting supply increases led to marketing problems. Processing and marketing of organic products are of crucial importance to sustainable development of the organic

sector with its dual market and public good focus, requiring other approaches.

Table 3. Organic farming share of total agricultural area (UAA) and agri-environment (AE) expenditure, 2003

	Total organic area		Total OF support (1257/99)		
	Thousand hectares	Share % UAA	kha (% of cert. OF)	Million Euro	Share % AE
AT	328.8	10.1	295.2(90)	85.9	13.9
BE	24.2	1.7	18.9(78)	4.7	16.9
(BG)	2.0	0.04	na	na	na
CH	109.1	10.1	109.1(100?)	19.3	5.4
CZ	255.0	6.0	214.2(84)	7.3	20.3
DE	734.0	4.3	536.8(73)	97.7	16.0
DK	165.1	6.2	110.5(67)	8.7	45.5
EE	46.0	5.9	37.5(82)	3.2	15.5
ES	725.3	2.9	158.2(22)	25.7	19.1
FI	160.0	7.1	142.5(89)	16.9	5.9
FR	551.0	2.0	207.8(38)	42.2	7.7
GR	244.5	6.2	19.0 (8)	7.7	30.1
IE	28.5	0.7	17.7(62)	1.7	1.0
IT	1052.0	8.0	297.9(28)	100.3	33.5
HU	113.8	1.9	58.0(51)	4.2	25.2
LT	23.3	0.6	22.1(95)	0.9	na
LU	3.0	2.3	2.3(75)	0.4	3.3
LV	24.5	1.0	nd	0.7	na
NL	41.9	2.1	11.0(26)	2.5	16.3
PL	49.9	0.12	31.0(62)	1.3	na
PT	120.7	3.2	27.9(23)	3.9	5.7
(RO)	57.2	0.4	na	na	na
SE	(462.4)	14.8	407(180)	54.8	23.4
SI	20.0	3.9	18.9(95)	2.9	29.3
SK	54.5	2.5	37.8(69)	0.5	nd
UK	695.6	4.1	249.9(36)	9.0	5.0
Total	6175.5	3.3	3041(49)	502.4	13.5

Sources: Hrabalova et al. 2005, Olmos et al. 2006, EC 2006.

(x) qualifications apply, see original references for details.
na = not applicable; nd = no data

The policy focus has thus shifted to a more balanced mix of supply-push and demand-pull policies, often integrated in action plans. This broad mix of policies provides significant opportunities for rural development (Haering et al., 2005). With the implementation of new rural development programmes for 2007-13, encompassing the full range of policy measures used to support organic farming, which contributing to many of the EU's strategic goals, there is a strong case for further supporting the development of organic sector.

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REFERENCES

For a complete list of references please contact the authors.