



Commentary on the

“European Action Plan for Organic Food and Farming”

Introduction

The Association of Organic Food Producers (Assoziation ökologischer Lebensmittelhersteller (AoeL)) welcomes the Action Plan for Organic Food and Farming presented by the Commission!

The aim of this commentary is to appraise the action plan critically and to formulate additional proposals for rendering the measures more concretely from the perspective of organic food processors.

It is regrettable that the EU has so far failed to furnish financial resources for the implementation of this action plan. Additional financial resources are urgently required, particularly for the proposed measures with regard to communication.

The remainder of this commentary refers to the headers in the action plan and appraises these point by point.

On 1. (Introduction)

The AoeL welcomes the EU Commission's plan to radically revise current regulations regarding organic food for the first time in 13 years. In view of the many amendments to the regulations and the present dynamic development of the organic food market, this is an urgently needed measure. The subject of organic food is still almost exclusively approached from the perspective of farming. However, the market's development during recent years in particular clearly indicates that the organic food market can only develop positively if the demand for organic food is stimulated. The focus on farming that predominates debates surrounding organic food is blocking the way for the measures required to efficiently develop this market. I.e. the role of mediator assumed by food processors in particular requires attention. The AoeL will develop proposals and positions on this issue and present these to the policy makers.

The objective of locating environmental matters and matters related to sustainable development within the entire food chain, as outlined under **1.1** and **1.2**, requires the explicit involvement of the sectors that are secondary to farming. The production and distribution of food can significantly contribute to environmental relief and sustainability.

In contrast to the terminology used in the action plan, we would strongly emphasise that it is the entire organic food production chain that must be taken into consideration regarding all proposed measures. **In this respect, the emphasis on “organic farming” must be shifted to “organic food”, and any emphasis on “organic farming” in this report must, in practice, be extended to include the entire food chain.**

As already stated by the Commission in 1.1., the issue at hand is not only about the expansion of the surface area used for organic farming, but also about developing the entire market by utilising and further developing existing market potentials. **The experiences of recent years show that an exclusive focus on the expansion of the agricultural areas used for organic farming ultimately only results in production being exposed to pricing pressure, thus jeopardizing the development of the market and farmers’ livelihoods.**

The organic food producer’s main task is to transform the products generated by organic farming into products that conform with the market using their own approaches to quality.

Organic food processors are the decisive agents when it comes to mediating between the potentials presented by organic farming and consumers’ requirements. The organic food production and distribution sector has made great progress in this regard, incorporating product quality and the environmental and social consequences of food production into the manufacturing and product concept – as required by modern sustainability strategies. This approach must be systematically pursued further in order to preserve the future quality leadership of the organic food industry. **It is, however, clear that this cannot be achieved by using production standards in agriculture alone, rather, this approach must be extensively expanded to incorporate factors related to the entire food chain. This issue requires urgent attention when defining a framework for these matters.**

On 1.3.) In our opinion, organic food significantly contributes to health. We are therefore quite unable to comprehend why the benefits of organic food such as the reduction of pesticides and the increased occurrence of secondary plant compounds, which have been clearly verified by scientific studies, are not receiving appropriate attention. On the contrary, we find to our astonishment that the government seems more than ready to follow the argument that, e.g. genetically modified rice which contains more carotene should be heralded as a sensational scientific achievement.

It is, however, vital that the entire range of benefits, including benefits related to healthy environmental conditions for people are acknowledged. These factors are of huge significance with regard to the health of individuals and should under no circumstances be neglected!

It is crucial that the European Union promotes and advances research projects that investigate the different health values of conventional and organic foods!

As mentioned in 1.4., the organic food industry’s effect on farmer’s incomes and regional economic cycles must be demonstrated more clearly. It is, however, decisive with regard to this promotional policy, that not only the production of organic food, i.e. organic farming, is promoted, but that this promotional policy always relates to the expansion of

entire economic chains, including small and regional ones. **Efforts must not, however, be reduced to or solely aimed at regional activities, given that the organic food industry has long since become a global concern.**

On point 2) The development of organic farming

It is vital that uniform statistics are gathered regarding the development of the European market. Focussing only on the expansion of the surface area used by agriculture is not particularly helpful. The practice of “counting acres” is preventing more significant factors from being taken into consideration. **We urgently require more appropriate statistics that will enable us to make reliable estimates about the condition and scope of development of the organic food market.**

Projects aimed at generating these kinds of data urgently require support. These data should be gathered both more systematically and officially across Europe. **Point 2.2.** correctly reflects that there are essentially no consistent data regarding the market available at present. The data shown under point 2.2. are insufficiently differentiated and can at best be regarded as rough estimates. It is vital that this situation is remedied.

On point 3.) The organic food market

With growth rates of 15% (in some countries, up to 25%) over a period of 10 and more years, the organic food industry is without doubt one of the fastest growing sectors in the entire food industry. This is an excellent indication of the development potential of this market. It is, however, dangerous to focus exclusively on the prices of organic produce. It is doubtless correct that further increases in efficiency should be realised, in particular through distribution structures and the increasing quantities of organic food that are produced and sold, and that the benefits should be passed on to the consumer.

However, nobody, including the consumer, is well served if the price dumping mechanisms that are applied in the conventional food sector are transferred to the organic food market, as these generally result in severe damage to the quality approach and, consequently, severely damage producer's, processor's, retailer's and – ultimately – consumer's advantages. **Consequently, the price reduction for end products proposed by the Commission and associated approaches to cost reduction must be clarified with regard to the specific kinds of cost reduction approaches signified and how these are to be related to overall product quality.** If these matters are not clarified, declines are inevitable, particularly with regard to quality.

Even more important, however, is that macroeconomic framework conditions should be shaped in a way that prevents environmental costs from being externalised. Conventional agriculture must bear the societal costs that are created by, for example, the use of mineral fertilizers or pesticides, in accordance with the “polluter pays” principle, e.g. by levying an environmental charge on these substances. It is only then that reasonable price comparisons can be made!

We welcome the approach outlined under 3.3. **(Action 1)** of significantly improving the information on organic food provided to consumers! The benefits of organically produced food for the environment, regional economies and peoples' health must be clearly emphasised. On the other hand, the stimulation of segments within the sector that are as yet underdeveloped, such as large-scale kitchens and schools, also plays an important role as is outlined in the Commission's report. What is decisive, however, is that consumers should be made aware of the additional benefits they can obtain by buying organic food. **We therefore welcome the EU's plans to introduce an**

information and promotion campaign for consumers that is to run for several years. There is, however, no clear indication regarding the provision of financial resources for this project.

Point 3.4 (Action 2)

Clarification of the differences between the various standardization systems is certainly of great importance. **However, we believe that it is even more important for the Commission to endeavour to harmonize the implementation practices in the Member States and to remove divergent or protectionist national standards.** All member nations should have a duty to make their national standards transparent at EU level. What is needed are clear regulations that are uniformly implemented and that leave leeway for the economy. The AoEL believes that a consistent, well-developed basic standard is vital in order for this market to flourish. Furthermore, it is also very important that the national laws established by the individual Member States should not hinder trade in the organic food market, as is currently the case in some EU countries. We would like to ask the EU to ensure more transparency with regard to national regulation and a rapid removal of obstacles to trade at a national level.

On 3.5) The members of the AoEL regard the introduction and implementation of the European labelling system using the EU logo for organic food, as outlined in the regulation, as an important step in the development of the market. **The logo must, however, be graphically revised in order to make its voluntary use more attractive to economic partners. This represents an excellent opportunity to achieve uniform labelling of organic products in the European market.** This labelling system should not be applied in contrast with other private or national labelling systems.

In **3.6. (Action 3)**, the EU again refers to statistics that we commented on earlier. **We would once again like to make it clear that gathering of statistics related to agriculture alone is insufficient and that it is vital that additional detailed statistical data on the European and European regional markets with regard to the sale of organic products are gathered in order to obtain a clear perspective on the sales potential and development of the market.** These data are a prerequisite for development strategies for this market. We firmly believe that gathering statistical data on the European market is decisive to carrying this segment forward.

4. EU policy regarding organic farming (Action 4)

It must be ensured that support is not again exclusively directed towards agricultural production, as this is far from being in the farmers' interest! As has been shown in the past, exclusively promoting the production of organic food always causes prices to decline. Companies' economic bases must not be threatened by promoting excess supply of raw materials. **This is why the measures must be designed in such a way as to promote regional and national sales chains and quality programmes. As stated in 3., this also entails improving the information provided to consumers regarding the advantages of organically produced foods.** Limiting these measures to the fruit and vegetable sector alone is not helpful.

We wholly approve and welcome **action 5.**

We regard the issue of transferring knowledge to organic farmers, organic food producers and retailers as outlined under **4.2.5 (Action 6)** as particularly important. Contributing to the improvement of knowledge of personnel working in food processing as well as retail of organic food is highly commendable. **Well-trained specialist personnel have a key function in moving the organic food industry forward. We would like to suggest that existing action plans are thoroughly analysed before national action plans are developed. This is another issue where the Commission could take an active role.**

With regard to promotional policies for the organic food industry, it is vital that the disadvantages of this sector in the EU's other promotional programmes are removed first. E.g., it is neither acceptable nor understandable that organic food producers and companies have been excluded for decades from the support measures provided by the market regulations for butter!

4.3 (Action 7) Overall, the organic food market requires much more theoretical background and further scientific investigation. It is vital that the organic food processing sector is provided with the technologies and innovative ability necessary to transform raw agricultural products into marketable products. Although there are a large number of institutions dedicated to organic farming, there is a gap for, e.g. an institute dedicated to technologies adapted to organic food. There is, in fact, not a single institute such as this in the whole of Europe! **We therefore urgently request that research projects and the creation of institutions dedicated to technologies adapted to organic food are advocated at EU level.** The same applies to consumer issues. Ideally, research funds should be divided in a way that allows one third of the funds to be allocated to agricultural research, processing and retail respectively, as well as to consumer research. Applied research projects should always be geared towards relying on co-financing and/or private sector contributions. These are the only means to guarantee that these projects have practical relevance – which is lacking only too often in research.

5. Standards and inspection – safeguarding integrity

With regard to **point 5**, we would remark first of all that yet again only the issue of farming standards is being addressed. This issue of standards and inspection does, however, also include processing standards that need to be taken into account more strongly. It has been shown that there are currently products on the market that cannot be clearly identified as organic by consumers as they are associated with a high level of industrial processing. This can lead to many consumers seriously questioning the consistency of the standards applied to organic food, which must be prevented.

Appendix VI regarding animal products must be passed as quickly as possible.

We very much welcome the intended reduction of detail in the law in favour of a more precise description of the organic food industry's objectives as mentioned under **5.2. (Actions 8/9)**. We view this simplification of the regulation as a significant contribution to the facilitation of new developments. It must, however, be ensured that these objectives are worded very efficiently so as to prevent this increase in flexibility from distorting competition.

We welcome the tightening and orientation of the regulation towards the fundamental objectives for organic food and regard this move as a vital element in the regulation's further development. Furthermore, we would like to make it clear

that, with regard to processing, the regulation must be concretised, meaning that certain mechanisms that are currently in place due to the originally chosen structure will have to be rethought. **In order to further develop the quality of organic products, it should be possible to offer organic lecithin and organic yeast if these products are already available on the market as organic products. If the legal structure of the regulation prevents this, we are presented with a fundamental construction problem that has to be remedied.** The title of appendix VI in particular should therefore be rethought in order to open up possibilities that enable ingredients and additives specified in the appendix that do not have agricultural origins to be converted to organic ingredients and additives.

We regard the statement referring to wine being labelled as “made with organic grapes” under **5.3 (Action 10)** as very optimistic and believe that consumers, as outlined below, are not usually able to distinguish labels such as this from labels denoting “all-organic” products. We regard this kind of labelling as inappropriate, since the quality of organic products should not be dividable. **However, instead of focusing on detailed regulations for wine, it would be more effective to use the development of the regulation as an opportunity to further the quality leadership of the organic food industry. In our view, criteria related to environmental benefits and issues related to fair trade in particular play a central role in regard to this issue.**

We regard the intended improvement of the instruments used in standard setting listed under **5.4. (Action 11)** as very positive. However, we would like to point out that this panel of experts should be divided into different areas. **In our view, it is absolutely vital that an independent panel of experts is established for matters related to organic food processing.** It has already been shown in the past that it is very difficult to appropriately position and debate issues related to processing in predominantly agriculture-oriented expert panels. Corresponding expert panels have established themselves in all developed markets.

It is vital that these expert panels are made up of experts from the private sector and intensively involve partners from the market.

On 5.5) (Action 12)

We would first of all like to express our approval of the proposals with regard to the facts related to genetically modified organisms outlined in action 12. We are, however, sceptical regarding whether the establishment of a separate threshold for organic seeds is realistic and reasonable. **This is why all efforts have to be focussed on making the general regulations for seeds as strict as possible.** A threshold value of 0.1 percent of GMO in seeds seems an acceptable value with regard to this.

5.6. (Actions 13/14/15) We very much welcome the fact that risk-based approaches to inspection are being increasingly introduced by the regulation. We regard this as an urgent requirement in order to further develop the presently strongly formalised inspection system in a meaningful way. **The concept of a risk-based approach must, however, be elaborated in more detail. The EU should initiate corresponding development projects.** In particular, we believe that it is vital that the professional competence of the people working in inspection should be further consolidated and maintained.

The reduction of the total pesticide contamination of the environment and the verifiably non-existent or much reduced pesticide residues in organic food in comparison to conventional food are an important contribution of the organic food industry. With regard to the cross-inspections mentioned in the plan, particularly those based on analytical methods, we would like to point out that inspections must be more heavily based on the inspection systems set up by companies themselves. Thresholds for, e.g. pesticide residues, must on no account be allowed to replace process-oriented approaches. The process-oriented approach is the core element of the quality concept and the inspection method and is rooted as such in the EU VO 2092/91. The systematic establishment and implementation of a process-oriented quality concept represents a decisive contribution to the entire organic food industry. **Analytical inspection measures should be based on the inspection systems set up by companies themselves and not on additional sampling and analyses performed by inspection bodies.**

Consistent origin assurance is decisive in preventing fraud. The cooperation between inspection bodies and authorities mentioned by the Commission certainly plays a decisive role with regard to assuring the origins of organic food. Although an increase in these bodies' flexibility to respond and a significant reduction of the bureaucracy associated with authorities' ability to respond must also be taken into consideration, and the personal responsibility of individual staff must be strengthened to achieve these aims.

On 5.6.2. (Action 17/18) With regard to the inspection bodies and the division of work between the inspection centres and inspection authorities, we are currently witnessing a dangerous development. **It is hardly possible that ecological risks such as cost and liability risks are privatised and passed on to inspection bodies while the contents of the actual activities are nationalised.** This, as we say, is a dangerous development. **It seems vital to us, particularly with regard to retail and processing, that endeavours are directed towards enabling a harmonization of the inspection systems and joint audits using other certification standards, such as IFS and BRC.** An integration of the audits will represent a contribution to increased efficiency and to reducing costs for companies.

With regard to imports, we fully endorse and support the policy as described under point 5.7. (Action 19/20) and point 5.8. (Action 21). It is very important that EU and NOP standards, Japan's, India's and other countries' standards, are mutually recognized and that this is achieved as rapidly as possible. The Codex-Alimentarius "Organic labelling standard" represents a useful basis for this endeavour. **At present, mutual recognition of the NOP is of huge significance, as there are substantial trade restraints with regard to this.**

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