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Report Name: EU Commission Unveils EU Organic Action Plan

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Report Highlights:

On March 25, 2021, the European Commission published the EU Organic Action Plan for 2021-2030. As part of the Farm to Fork Strategy, the Action Plan aims to increase organic agriculture in the EU and to have at least 25 percent of the EU's agricultural land under organic farming by 2030. To reach this objective, the European Commission wants to boost consumption of organic food in the EU and stimulate conversion to organic farming. The Action Plan also aims to increase the contribution of organic farming to the sustainability of the European agriculture sector. Success of the Action Plan will depend on implementation at the Member State level and how the Member States encourage increased production and promotion of organic products as well as consumer willingness to buy organic.

The EU Farm to Fork Strategy (F2F) has for overall objective to for the EU to shift to “a sustainable food system” that can bring “environmental, health and social benefits and offer economic gains”¹. The F2F called on the Commission to put forward an Action Plan on organic farming to help Member States stimulate both supply and demand for organic products and to reach the objective of at least 25 percent of the EU’s agricultural land under organic farming by 2030 as well as a significant increase in organic aquaculture.

On March 25, 2021, the European Commission unveiled its [EU Organic Action Plan for 2021-2030](#). The Action Plan is organized along three objectives that aim to work with the structure of the food supply chain: production, processing, and retailers and consumers.

The three objectives are:

1. “Organic food and products for all: stimulate demand and ensure consumer trust”
2. “On the way to 2030: stimulating conversion and reinforcing the entire value chain”
3. “Organics leading by example: improving the contribution of organic farming to sustainability”

With these three objectives come [23 action items](#) for the Commission, Member States and industry. These action items are non-legally binding but give a direction for EU institutions to boost organic production by 2030.

On the same day, EU Commissioner for Agriculture and Rural Development Janusz Wojciechowski presented the Action Plan to the press. In his introductory statement he said that “The Organic Action Plan provides tools and ideas to accompany a balanced growth of the sector. The development will be supported by the Common Agricultural Policy, research and innovation as well as close cooperation with key actors at EU, national and local level.” During the press conference, the Commissioner also stated that “organic products, the methods of production, they should guarantee higher standards of health” and added that in an ideal world, he would like to see all agriculture in Europe farmed organically. This reference to organic food being healthier than other food is not present in the Commission’s Action Plan.

Stimulate demand for organic products in the EU

Under the first objective of the Action Plan, the European Commission wants to promote the consumption of organic products in the EU. For the Commission, boosting the overall demand for organic products is necessary to support the development of the organic sector in the EU and to maintain a profitable market for economic operators. Currently, each European on average spends around EUR 84 per year on organic products. This market-oriented approach [was welcomed](#) by Copa-Cogeca, the trade organization representing EU farmers, which noted that it will be “the best way to ensure a healthy growth for the sector.”

To stimulate the demand the Commission announced in the Action Plan that it will:

- ⇒ Increase EU consumers awareness about the EU organic logo, as currently only 56 percent of consumers in the EU recognize the EU organic logo;

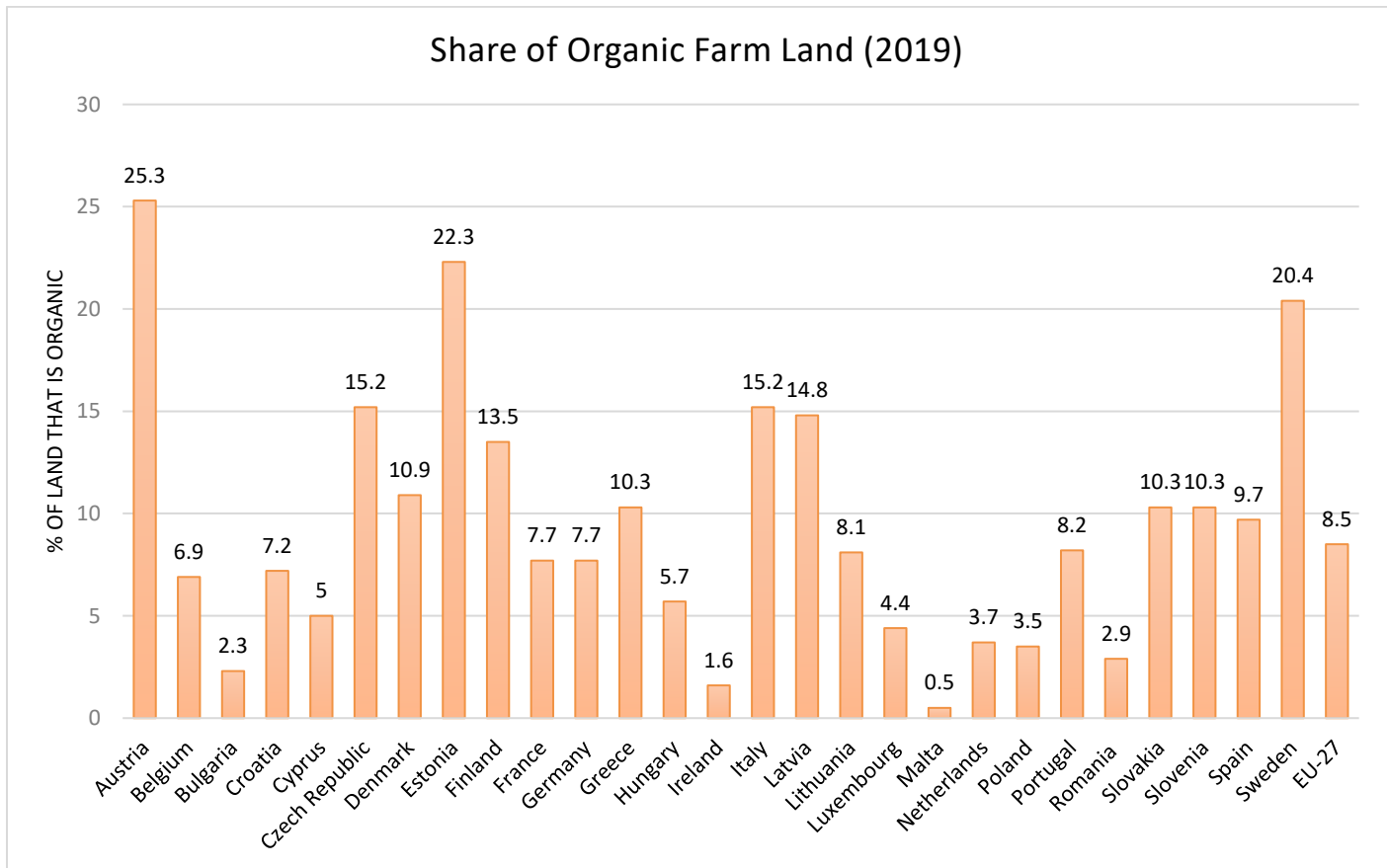
¹ For more information about the F2F Strategy, please see GAIN Report: [Green Deal Strategies for the EU Agri-Food Sector Present a Politically Ambitious Policy Roadmap](#)

- ⇒ Promote organic canteens and increasing the use of green public procurement, notably, through a minimum mandatory criteria for organics in sustainable food public procurement to be developed as part of the legislative framework for sustainable food systems by 2023;
- ⇒ Establish partnerships with businesses willing to promote the use of organic products as part of their corporate sustainability policy, for example, through the distribution of “eco-checks” to their employees to buy organic food;
- ⇒ Inform consumers about organic production in the EU through an EU-wide ‘Organic Day’;
- ⇒ Strengthen the fight against fraudulent practices and organic fraud with guidance on reinforced imports control and regular traceability exercises on organic products in cooperation with Member States, their control bodies and third countries;
- ⇒ Raise farmers’ awareness of export opportunities for EU organic products to take advantage of the EU’s Free Trade Agreements and equivalency agreements;
- ⇒ Allocate an enhanced budget for organics as part of the agricultural promotion policy, including in targeted third country growth markets.

On this last point, in the 2021 promotion work program, the Commission has already announced that it would allocate roughly 50 percent of its budget (around €86 million) to projects contributing to the objectives of the Farm to Fork Strategy. Around €49 million is earmarked to promote organic products alone. This is the first time there is a specific budget for organic products as part of the EU’s promotion program. This move by the Commission has been [criticized](#) by members of the European Parliament’s Committee on Agriculture and Rural Development who have stated that the “EU should treat all sustainable EU agri-food products equally when promoting their consumption and avoid favoring certain sectors over others.” For more information, please see GAIN Report: [EU 2021 Promotion Programs for Agricultural Products](#).

Stimulate organic conversion in the EU

To reach the objective of 25 percent of land in the EU farmed organically by 2030, the European Commission wants to stimulate organic conversion across the EU. Currently, only 8.5 percent of farms in the EU are organic, with large difference between Member States from a low of 0.5 percent to a high of more than 25 percent. Current projections predict a growth of the organic sector to between 15 percent and 18 percent of agricultural land by 2030 if there was no Action Plan.



Source: Data: Eurostat, Graph: FAS Brussels

The Commission notes that the Common Agricultural Policy (CAP) is a key tool for supporting conversion to organic agriculture. Currently, around 1.8 percent of CAP is used to support organic farming. However, the future CAP for 2021-2027 will include additional instruments to support conversion such as the eco-schemes². The Commission notes in the Action Plan that Member States will have the flexibility to support organic operators in a tailored manner and calls for the budget for support measures to organic conversion in the national CAP strategic plans to align with national ambitions to increase organic production.

To stimulate organic conversion in the EU, the Commission announced in the Action Plan that it will:

- ⇒ Ensure Member States make the best use of the possibilities offered by the new CAP to support their national organic sector with technical assistance and the full use of relevant CAP instruments such as eco-schemes and rural development environmental management commitment;

² Eco-schemes are payment schemes in the future CAP for 2021-2027. The aim of eco-schemes is to provide additional support for farmers who observe agricultural practices beneficial for the environment and climate. Member States are free to set eco-scheme's content and budget as part of their national Strategic Plan. The share of the budget earmarked for eco-schemes is still under negotiations but it will range from EUR 38 to EUR 58 billion, for the period 2023 –2027.

- ⇒ Develop sector analysis to increase market transparency with regular reports on organic production in the EU, the extension of the [EU Market Observatories](#)³ analysis to organic products and a yearly report on imports from third countries;
- ⇒ Help organic producers organize better along the food chain through specific organic producer organizations or fostering local and small-scale processing, to move towards “shorter organic supply chains, providing environmental and social benefits”; and
- ⇒ Improve animal nutrition in accordance with organic rules.

Stimulate the contribution of organic farming towards greater sustainability

As part of the Action Plan on organic farming, the Commission announces that it wants to improve the organic sector’s contribution to sustainability and environmental challenges. The Commission affirms that land farmed organically has about 30 percent more biodiversity than land farmed conventionally. For the Commission, organic farming is also beneficial to pollinators since organic farmers are not allowed to use synthetic fertilizers and may only use a limited range of chemical pesticides.

To stimulate the contribution of organic farming to biodiversity, the Commission announced in the Action Plan that it will:

- ⇒ Earmark funding under Horizon Europe³ to support the preservation and use of genetic resources, pre-breeding and breeding activities, and the availability of organic seeds;
- ⇒ Further improve animal welfare in organic production through work in the EU Animal Welfare Platform;
- ⇒ Promote a more efficient and sustainable use of water and the reduction of nutrient release with the involvement of the Member States through their CAP Strategic Plans; and
- ⇒ Work on alternatives to “contentious inputs and other plant protection products” through:
 - funding under Horizon Europe for research and innovation projects on alternative approaches to contentious input
 - fostering the use of alternative plant protection products, building on the upcoming regulation on biopesticides.

On this last point, Copa-Cogeca warned that organic farmers have to face pests and climate change consequences. It is essential for organic farmers to have access to an efficient set of products to protect crops. Copa-Cogeca noted that they want to “support the Commission’s work on further developing policies and regulatory framework, as well as research and innovation needed to ensure that EU farmers and agri-cooperatives have a proper set of instruments to be used.”

³ Horizon Europe is the EU’s research and innovation framework programme running from 2021-2027 which has a budget of €95.5 billion for that period. More information: https://ec.europa.eu/info/horizon-europe_en

Stakeholders' reactions

Copa-Cogeca, the trade organization representing EU farmers, was overall very positive about the Action Plan. The organization [welcomed](#) the market-driven approach as EU consumers have been increasingly interested in this method of production. Copa-Cogeca however noted that the 25 percent target is very ambitious and it is important that the EU gets as close as possible to this objective while avoiding market disturbances.

The International Federation of Organic Agriculture Movements (IFOAM Europe), representing the EU organic sector, also [welcomed](#) the Action Plan and the market-driven approach taken by the Commission. IFOAM applauded the decision of the Commission to allocate €49 million budget for organic within the promotion policies framework as well as the integration of organic products into the minimum mandatory criteria for sustainable public procurement. IFOAM noted that the Action Plan now needed to be implemented by Member States through the CAP's National Strategic Plans.

In Germany, the Bioland, the largest of German association of organic farmers, also welcomed the Action Plan. Jan Plagge, President of Bioland stated: "We consider the EU Commission's action plan to be very positive, as it includes very concrete steps to boost demand for organic products, such as the mandatory inclusion of organic products in the procurement process of public institutions. "

However, some members of the Green Party in the European Parliament expressed some doubts about the Action Plan. Bas Eickhout, a Dutch member, noted that organic food is more expensive because farmers do not use pesticides and fertilizers and this means unfair competition. He believes that consumers want to consume more organic products but because of the price difference many drop out. Martin Häusling, German member of the Parliament and coordinator of the Green Party in the Agriculture Committee, said that there is a lack of sufficiently high incentives for farmers to convert their farms. In addition, Häusling demanded that significantly more funds be made available for research and the sale of organic products. Other MEPs have expressed concern about what, if any, baseline the Commission is using to determine the 25% of agricultural land to organic. The total amount of agricultural land can change, and it is unclear if the Commission is choosing a specific year to base the 25% on, or if it will fluctuate.

Additionally, on April 6, 2021, the Netherlands' largest bank, ING, published [an article](#) on the impact of the Farm to Fork Strategy on the EU dairy sector. The paper notes that the dairy sector will struggle to meet the EU's organic targets as only 4 percent of all the dairy cows in the EU were organic in 2019. The study says that historic growth patterns will not deliver an EU-wide goal of ensuring that 25 percent of Europe's farmland is organic by 2030. The challenge is to make sure the supply of organic milk is in line with an increasing demand and that will require dairy companies and retailers to work together. An assessment of fifteen major EU retailers shows that more than half of them have earmarked organic as an important element within their sustainability strategy. The ING reports also notes that currently most big dairy firms are focusing on reducing methane emissions rather than increasing organics.

Next Steps

Most stakeholders were positive about the EU Organic Action Plan but how successful the EU will be in reaching the EU-wide 25 percent target now depends on the implementations on the action items at the Member States level, notably through the National Strategic Plans of the CAP. Farmers will also need to consider the new incentives such as additional payments to be enough to make the switch from conventional to organic agriculture. Finally, European consumers will also need to buy more organic products for the Action Plan to be successful. In December 2020, the European Commission released a [Eurobarometer](#) on EU citizens expectations related to food. When asked what they consider to be the most important characteristics of ‘sustainable’ food, only 18 percent of European consumers considered that organic food is the most important characteristic of sustainable food compared to 41 percent for ‘nutritious and healthy food’ and 29 percent for ‘affordable food for all’⁴.

The EU Action Plan is non-legally binding but some of the 23 action items listed by the Commission will be part of upcoming legislative proposals such as a review of the promotion policy for agricultural products or the legislative framework for sustainable food systems announced for 2023.

Attachments:

No Attachments.

⁴ More information: GAIN Report: [European Citizens Prioritize Taste and Food Safety Over Sustainability When Purchasing Food](#)