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Organic Products

European Action Plan for Organic Food and Farming 2004

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Report Highlights:

On June 10, 2004, the European Commission adopted the "European Action Plan for Organic Food and Farming". This plan will form the basis for future policy development and outlines 21 concrete policy measures to be implemented in 3 main areas.

Includes PSD Changes: No Includes Trade Matrix: No Unscheduled Report Brussels USEU [BE2] [E3]

European Action Plan for Organic Food and Farming

Intro

On June 10, 2004, the European Commission adopted the "European Action Plan for Organic Food and Farming". The plan forms the basis for future policy development and outlines 21 concrete policy measures to be implemented in 3 main areas: information and promotion, financial support through rural development measures and improving standards and import and inspection requirements. The Action Plan will be presented at the June 21 Agriculture Council.

The Action Plan and a Commission Working Document providing background analysis concerning the 21 actions can be downloaded from the Internet at http://europa.eu.int/comm./agriculture/gual/organic/plan/index_en.htm

Information and Promotion

Actions:

1) Improve the organization of information and promotion campaigns on organic farming and the EU organic logo.

2) Establish an on-line database listing the various private and national standards.

3) Improve the collection of production, supply and demand statistics.

Financial Support

The Action Plan emphasizes the role of organic farming in achieving one of the objectives of the CAP 2003 Reform: the production of environmentally friendly, quality products. Currently, organic farmers are eligible to receive financial support through direct payments and price support measures. In addition, organic farming is fully integrated in the EU's rural development policy. The Action Plan strongly recommends member states to make full use of the rural development programs to support organic farming. This is a particular concern to the U.S. as financial aid provides EU organic farmers with a competitive advantage vis-à-vis U.S. organic farmers who do not receive subsidies and have to rely on market price premiums for organic products. An added danger is that of over-subsidization resulting in an over-supply of organic products which would erode the price premiums.

Actions:

4) Allow member states to top-up EU financial support for organic fruit and vegetable producers.

5) Develop an on-line listing of all EU measures available to the organic sector in relation to production, marketing and information.

6) Develop national or regional action plans within the rural development framework.

7) Strengthen research on new production methods.

Standards and Import & Inspection Requirements

Defining the basic principles of organic production methods and effective controls throughout the production chain should increase transparency and consumer confidence. Fourteen of the twenty-one proposed actions are aimed at improving EU organic standards and inspections. Of particular interest to the U.S. is "Action 19" which relates to imports from third countries.

Organic products imported from third countries must be produced in accordance with organic production standards and are subject to inspection arrangements equivalent to those applied in the EU. Article 11 of the EU's basic organic regulation (2092/91) provides for two systems of assessment and determination of equivalency. Imported products must either come from a third country appearing in a list drawn up by the Commission or member states can, by way of derogation from the first system, authorize imports until December 31, 2005, on a case-by-case basis at the request of an importer. "Action 19" proposes a future equivalency regime that is based on the experience of the existing assessment systems. All imported products deemed to be equivalent should have access to the EU's organic logo.

Actions:

8) Define the basic principles of organic agriculture.

9) Reinforce standards and maintain foreseen end dates of transitional periods.

10) Complete and harmonize organic standards by establishing the list of permitted additives and processing aids for processed animal products, consider specific standards for wines and aquaculture and improve standards relating to animal welfare.

11) Establish an independent expert panel for technical advice.

12) Clarify the standards laid down for the prohibition of the use of GMO's.

13) Improving the inspection system by introducing a risk-based approach.

14) Develop sampling and analytical methods which can be used in organic farming.

15) Study the possibility of using land parcel identification set up for CAP to monitor organic farms to combat fraud.

16) Improve cooperation and communication between the inspection bodies and the enforcement authorities.

17) Develop a specific accreditation system for inspection bodies.

18) Publish annual member states' reports on the supervision of approved inspection bodies.

19) Step up efforts to include third countries in the equivalency list, including onthe-spot assessments. Amend Regulation 2092/91, replacing the current national derogation for imports by a new permanent system making use of technical equivalency evaluations by bodies assigned by the Community for that purpose. This could include, following appropriate consultations, developing a single and permanent Community list of inspection bodies recognized as equivalent for their activities in third countries not already on the equivalence list. Continue to ensure that the definition of equivalence with third countries takes into account the different climate and farming conditions and the stage of development of organic farming in each country. Upon entry into force of this system, offer all imported products access to the EU logo.

20) Step up efforts towards global harmonization and development of a multilateral concept of equivalency based on the Codex Alimentarius.

21) Reinforce recognition of EU organic standards and inspection systems in third countries.

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Related reports from USEU Brussels:

Report Number	Title	Date Released
E24024	European Hearing on Organic Food and Farming	4/6/2004
E23248	Council Conclusions on the EU Organic Action Plan	12/18/2003
E23174	EU Action Plan for Organic Farming – Online Consultation Results	9/15/2003
E23020	EU Action Plan for Organic Farming	2/11/2003
These reports can be accessed through our website <u>www.useu.be/agri</u> or through the FAS website <u>http://www.fas.usda.gov/scriptsw/attacherep/default.asp</u> .		