Development of organic production in the EU: 2021-2027 action plan

SUMMARY

In May 2020, the European Commission published its ‘farm to fork’ strategy – ‘for a fair, healthy and environmentally friendly food system’ – along with the EU biodiversity strategy, as part of the implementation of the European Green Deal. In those strategies the Commission set a target of 25 % of the EU’s agricultural land to be under organic farming by 2030, as well as a significant increase in organic aquaculture. These targets aim to contribute to improving the sustainability of the food system, to reverse biodiversity loss and to reduce the use of chemical substances in the form of pesticides and fertilisers. The Commission’s 2021 work programme set out its intention to prepare an action plan for the development of organic production for the 2021 to 2027 period, and the action plan was published on 25 March 2021.

Offering an initial analysis of the action plan, this briefing outlines the measures envisaged and the implications for different stages of the food chain in the EU. It also examines the results of the public consultation launched by the Commission in September 2020 to gather stakeholders’ views on the challenges and opportunities for the organic sector. The views of key stakeholders in response to the publication of the action plan are also covered, along with the initial views expressed by the advisory committees.

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Overview of the 2021-2027 action plan

The Commission’s [communication](#) on the development of organic production outlines the outcomes of the public consultation held between September and November 2020 along with projections for the organic sector for the next decade. It builds on the previous 2014-2020 action plan and takes into consideration the entry into force of the new regulatory framework for organic production ([Regulation (EU) 2018/848](#)) in January 2022, which will reinforce legal certainty for organic production, distribution and consumption.

The communication outlines a number of key features of the organic sector within the EU, providing a policy context for the actions that follow. In particular, the communication underscores that:

- organic farming currently accounts for 8.5% of the EU’s total utilised agricultural area (UAA). This represents an increase in the area under organic farming by almost 66% in the period between 2009 and 2019;
- organic retail sales have doubled in value over the same period;
- current projections based on existing policies and trends predict growth in the organic sector over the next decade, reaching 15% to 18% of agricultural land by 2030;
- land farmed organically is claimed to have about 30% more biodiversity than land farmed conventionally.

Another notable observation included in the Commission’s analysis is that organic farming is more costly, as organic farmers use natural processes and avoid the use of synthetic products. It also states that although yields are lower, organic farmers often enjoy better incomes as organic products are usually sold at higher prices than conventional ones. On the consumption side, findings from the Eurobarometer 2020 [special report](#) indicate that 56% of those surveyed stated that they were aware of the EU organic logo, while 66% of respondents declared that they were ready to pay up to 10% more for agricultural products produced with a limited carbon footprint. The action plan lists 23 actions structured around three axes as summarised in Table 1.

### Axis 1 – Stimulating demand and securing consumer trust

This axis focuses on stimulating demand for organic products, in order to provide an incentive for farmers to switch to organic production. This will involve, for example, making use of the EU’s agricultural promotion policy, where already 27% of its budget is allocated to organic production. Other actions highlighted include: the role played by public canteens in favouring organic food; the potential offered by green public procurement when organising public procurements, and action to reinforce the EU school scheme by identifying ways to increase the distribution of organic products; the review of this scheme is not planned until 2023. A study is also planned on the real price of food including the role of taxation. Other actions include efforts to: prevent food fraud, strengthen traceability and transparency by for example developing a database of certificates of all EU operators, and establish partnerships with businesses willing to promote the use of organic products as part of their corporate social responsibility.

### Axis 2 – Stimulating conversion and reinforcing the value chain

Although not the only one, the common agricultural policy (CAP) is considered a key tool for supporting conversion to organic farming. The action plan encourages Member States to make full use of the instruments available under the new CAP in their national strategic plans to accelerate this transition, including the new eco-schemes and rural development funds. To attain this objective the Commission will, starting in 2023, assess the specific circumstances and needs of each Member State and provide specific support accordingly through technical assistance, the exchange of best practices and the strengthening of farm advisory services to promote relevant knowledge exchange. EU demonstration farm networks will be set up to promote the dissemination of best
practices enabling education providers to develop courses on organic farming. Efforts will also be made to improve the availability of market data on organic production.

To encourage short organic supply chains, the Commission will encourage Member States to support the development and implementation of "bio-districts". These are geographical areas where farmers, the public and tourist operators and public authorities enter into agreement for the sustainable management of local resources based on organic principles and practices. Other elements under this axis include actions to help Member States design measures for organic farming in rural areas that promote gender equality and the inclusion of young farmers. The Commission will also support research and innovation on alternative sources of protein for organic livestock farming, including the adoption of an algae initiative.

Table 1 – Summary of actions by axis in the action plan for the development of organic production

<table>
<thead>
<tr>
<th>Axis 1</th>
<th>Axis 2</th>
<th>Axis 3</th>
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<td>Stimulating demand and ensuring consumer trust</td>
<td>Stimulating conversion / reinforcing the value chain</td>
<td>Improving the contribution of organic farming to sustainability</td>
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<td>Information and communication</td>
<td>Optimal use of new CAP and CFP instruments; national strategic plans for aquaculture</td>
<td>Pilot network of climate positive organic holdings, carbon farming (2022)</td>
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<td>Agricultural promotion (EU organic logo)</td>
<td>Sector analysis to increase market transparency</td>
<td>Genetic biodiversity and higher yields: demonstration farm networks, AKIS, EIP-AGRI</td>
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<tr>
<td>Promotion of organic products in public canteens and green public procurement (GPP)</td>
<td>Stepping up of collection of market data and extension to EU market observatories’ analysis.</td>
<td>Alternatives to contentious inputs and other plant protection products.</td>
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<tr>
<td>Reinforcement of organic school schemes and study on real price of food</td>
<td>Organisation of the food chain, including protection against unfair trading practices</td>
<td>Enhanced animal welfare in the context of the Animal Welfare Platform</td>
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<tr>
<td>Fight against fraudulent practices at all levels</td>
<td>Better information on group certification</td>
<td>Efficient use of resources: bio-degradable plastic</td>
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<tr>
<td>Database of certificates of all EU operators</td>
<td>Small-volume processing and short trade circuit: bio-districts</td>
<td>Efficient and sustainable use of water, increased use of renewable energy and clean transport</td>
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<tr>
<td>Action to improve traceability</td>
<td>Fostering of social inclusion in rural areas that promote gender equality and young farmers</td>
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<tr>
<td>Efforts to engage the private sector: retailers, wholesalers, catering services, etc.</td>
<td>Organic animal nutrition: alternative protein and vitamin sources and organic feed additives</td>
<td>Reinforcing organic aquaculture</td>
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Notes to Table 1: CAP: common agricultural policy; CFP: common fisheries policy; AKIS-agriculture knowledge and innovation system; EIP-AGRI: agricultural European innovation partnership.

Axis 3 – Improving the contribution of organic farming to sustainability

Recognising the potential offered by organic farming in relation to climate change mitigation, the Commission will set up a pilot network of climate positive organic holdings to share best practices. In order to increase the contribution that organic farming can make to sustainability, the Commission intends to dedicate at least 30% of the next calls relating to intervention area 3
'Agriculture, forestry and rural areas' of Cluster 6 of Horizon Europe to topics specific to or relevant for the organic sector. This funding will be used to support the preservation of plant genetic resources, the availability of organic seeds and the development of organic heterogeneous plant reproduction material, while also boosting rural research and innovation in improving organic yields and in developing alternatives to ‘contentious inputs’ in organic farming.

Other actions relate to finding ways to improve animal welfare in organic production and to promote the more efficient and sustainable use of water and the increased use of renewable energy, including reduced nutrient release. The Commission will also be adopting a framework for bio-based, compostable and biodegradable plastic for uses in all types of agriculture.

Assessment and stakeholder perspectives

A number of sources help to provide insight into the relevance, coherence and consistency of the action plan measures; these are the European Commission’s consultation, the reaction to the action plan by key stakeholders, and work undertaken on the organic sector by both the European Committee of the Regions (CoR) and the European Economic and Social Committee (EESC). A number of observations can be made from these sources, taking into account the planned timing of actions.

Findings from the public consultation

The Commission held a public consultation between 4 September and 27 November 2020 to gather stakeholders’ views on challenges and opportunities for the development of organic production and consumption in the EU. A synopsis of the 840 responses to the consultation (originating from 41 countries representing all EU countries and 14 non-EU countries) from organisations, stakeholders and citizens, was published by the Commission on 3 March 2021.

The synopsis showed a broad consensus on actions needed to stimulate the production of organic products, for instance: the provision of training and advice to stimulate conversion to organic farming (91% of respondents); the need to strengthen local and small scale processing and short food supply chains (90%); support for improving the bargaining power of organic producers; the need to improve information and data on developing the organic market; and, finally, the need for support from the CAP.

On the need to raise awareness of the environmental and climate benefits of organic farming, there was a high level of support for: the EU school scheme and organic products in public canteens; greater choice of organic products from retailers; and more public procurement involving organic products.

There was also a high level of agreement (91%) that information on organic products should be transparent and available to consumers. There was recognition of the need for public authorities to ensure compliance with the rules of organic production and for more information campaigns to promote the EU organic logo and organic products. In the case of the latter, more than half of respondents (59%) considered national authorities to be mainly responsible for promoting organic production.

Stakeholders

The European umbrella organisation for organic food and farming IFOAM Organics Europe welcomed the action plan shortly after its publication, highlighting ‘its push-pull approach, aimed at balancing increases in production and demand for organic producers’. It welcomed the funds dedicated to the promotion of organic products, the allocation of 30% from Cluster 6 research and innovation funds to the organic sector, and the involvement of national, regional and local actors, including the implementation of bio-distRICTs. The organisation considered the new action plan to be a net improvement on its predecessor, as it included more specific actions with a timeline for most of them. A subsequent in-depth analysis by IFOAM looked into the challenges and implications
of the targets set by the organic action plan for the CAP and Member States' expenditure. It concluded that the Commission should increase its overall CAP expenditure on organic farming three to five fold, raising it from the current 3 % to 9-15 % of farm spending. As for the Member States, the study predicted that those with lower levels of support for organic farming would need to consider a 5-10 fold increase in expenditure dedicated to the organic sector, depending on their baselines, in order to deliver a fair contribution to the 25 % overall EU target.

Copa Cogeca, representing farmers and agri-cooperatives, after broadly welcoming the 'market-driven strategy' of the action plan, subsequently published a more detailed position paper outlining the main challenges from the farmers' and producers' points of view. In order to meet the 'very ambitious target' set in the action plan, Copa Cogeca emphasised among other points that organic farmers and agri-cooperatives would need public policy support, such as through a promotion policy, and also investment in research and innovation to enhance organic seed and plant protection and increase European production of organic protein feed for livestock and European organic inputs for aquaculture.

Eurocommerce, representing national retail, wholesale and international trade sectors, welcomed the action plan, pointing out that consumer sales of organic production had grown over 120 % over the last 10 years, and would continue to do so if appropriate accompanying measures were taken.

The Organic Processing and Trade Association Europe (OPTA) welcomed the action plan points focusing on a demand-driven approach, including financial support for promotion and for organic in the public procurement, as well as the focus on national organic plans for each Member State. In a paper published in September 2020, OPTA set out its own list of 20 actions for a successful transition to 25 % organic by 2030. A key message from its analysis was the need to reduce the price gap between organic and conventional food by internalising environmental costs into food prices.

In its response to the Commission’s consultation, the European Landowners Organization (ELO) made the point that a dramatic shift from conventional to organic farming could have unintended consequences. It felt that increasing competition in organic food production could challenge the existing price premium on organic products leading to increased income instability for farms. It also pointed out that in order to equal EU current food production under the target of 25 % of organic farms, a shift in land use would be necessary, implying that untouched areas could be required to be used for farming.

Advisory committees

Both the European Committee of the Regions (CoR) and the European Economic and Social Committee (EESC) have been examining the issue of organic agriculture. On 20 May 2021, the CoR’s Commission for Natural Resources (NAT) held an exchange of views on the EU action plan for organic farming. This noted the role organic farmers have to play as ‘future developers of sustainable agriculture’. The key role played by local and regional authorities in supporting citizens and organic farmers in the transition towards achieving organic production is meanwhile underscored in a CoR working document on the action plan. This sets out a number of reasons why local and regional authorities should support the development of organic farming, namely: organic farming can help maintain employment in rural areas; short food supply chains can help enrich regions to spend money locally; partnerships between organic farmers, local and regional governments, catering and hospitality industries can be an opportunity for rural development; the lack of involvement of local and regional authorities in the past has hampered the attainment of organic production targets. The rapporteur also sees organic farming as an efficient and profitable way to enable water conservation to coexist with farming. Lastly, the rapporteur argues that introducing organic products into mass catering would be an important means of developing and structuring local organic farming.

In its initial report on the CAP reform, adopted on 5 December 2018, the CoR had proposed a doubling of the land area used for organic farming compared with 2017 or at least 30 % of the utilised agricultural area. It also called on Member States to implement the action plan through their
national CAP strategic plans. In February 2021, the CoR adopted an opinion on agro-ecology that recommended reducing VAT on organic, local and seasonal products, and introducing a significant proportion of such products into mass catering. The Committee also drew attention to the role of short supply chains and organic and local mass catering in strengthening cohesion between rural, peri-urban and urban areas.

The EESC is preparing an opinion on the EU action plan. Scheduled to be voted in the EESC plenary session in September 2021, it aims to provide a civil society perspective on the plan’s objectives and actions. In support of its work, the EESC held an online public hearing on 11 June 2021, offering an opportunity to hear presentations on both challenges and success stories in organic production and consumption, as well as the views of relevant stakeholders.

Outlook

The European Commission presented its action plan on organic farming to the meeting of the Agriculture and Fisheries Council on 26-27 May 2021. At their meeting on 19 July 2021, EU agriculture ministers adopted the Council’s conclusions on this plan, expressing their overall support. Council recognised the contribution that organic farming can make to the protection of the environment and biodiversity, including the fight against climate change and the improvement of animal welfare. Recognising that Member States were at different points in relation to the development of organic farming, it noted that each Member State should make its contribution to the collective effort to achieve the target of 25% of EU agricultural land under organic farming. The Council conclusions noted that organic farming and production will have an important role to play in the national strategic plans. They also emphasised however that the adoption of national organic action plans by Member States should remain a voluntary decision.

Organic agriculture forms a key part of the European Green deal, involving the implementation of both the ‘farm to fork’ and biodiversity strategies. In its resolution of 15 January 2020 on the European Green Deal, the European Parliament highlighted how agriculture has the potential to help the EU reduce its emissions through sustainable practices such as organic farming. A major achievement of the last parliamentary term was the new regulatory framework for organic production (Regulation (EU) 2018/848). In light of the coronavirus pandemic, and in order to ensure the smooth functioning of the organic sector, the date of entry into force of the regulation was deferred until 1 January 2022 (see Regulation (EU) 2020/1693). The European Commission presented its action plan to the European Parliament Committee on Agriculture and Rural Development at its meeting on 14-15 April 2021. Members welcomed the proposals but also expressed concerns regarding the implementation of the plan by farmers, raising several issues. These included for example, how to reach the target of 25% of the EU’s agricultural land dedicated to organic farming; production costs; the challenges facing different Member States, the role of innovation; and issues relating to distribution and markets outside the EU. Parliament is set to prepare an own-initiative report on the action plan on organic agriculture.

Looking to the future, much will depend on the extent to which Member States will make provision for organic agriculture and production by implementing the action plan through their national CAP strategic plans, following the provisional agreement reached between the Council and Parliament on CAP reform on 28 June 2021. Other factors will also have an influence, such as the response from the farming community and changes in consumer behaviour.

This analysis of the action plan has highlighted the range of policies impacting on the future of the organic sector. They include policies pertinent to all elements of the food system: sustainability, health, climate, agricultural promotion, public procurement, the EU schools scheme, training and education, research and innovation (including the role played by agricultural knowledge and innovation systems), taxation and environment and biodiversity. Set in the context of the Commission’s action plan, these point to the interdependency across policy areas. There is also a time dimension to the actions listed, with different actions to be initiated over the years 2021 to
2023. A time lag can be expected in terms of implementation of the action plan measures and their impact on the ground. A mid-term evaluation of the plan is scheduled for 2024.

MAIN REFERENCES


European Commission, Special Eurobarometer 504, Summary; Europeans, Agriculture and the CAP, October 2020.

ENDNOTES

1 From 8.3 million ha in 2009 to 13.8 million ha in 2019.
2 From €18 billion in 2010 to more than €41 billion in 2019.
3 Presentations shown during the online public hearing on 11 June 2021 are available on the EESC website. A recording of the hearing is also available.

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