

**The Policy and
Regulatory Environment for
Organic Farming
in Europe:
Country Reports**

**Organic Farming in Europe:
Economics and Policy
Volume 2**

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Carolyn Foster
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The individual contributions in this publication remain the responsibility of the authors.

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Abbreviations

AAP	Arable Area Payments
EEA	European Economic Area
EFTA	European Free Trade Area
ENOF	European Network of Organic Farming for scientific co-ordination
ESA	Environmentally Sensitive Area
FYM	Farmyard manure
LFA	Less Favoured Area
LU	Livestock Unit
NGO	Non Governmental Organisation
UAA	Utilisable agricultural area

AT

BOKU	Universität für Bodenkultur
ÖPUL	Österreichisches Programm zur Förderung Umweltgerechter Landwirtschaft
FBL	Forschungsinitiative biologischer Landbau

BE

CIM	Centre Interprofessionel Maraîcher
GVB	Groupement viande biologique
UNAB- NUBILA	National Association of Agrobiologists
UNITRAB- PROBILA	Organisation of processors and retailers of organic products

CH

BLW	Bundesamt für Landwirtschaft
ETHZ	Eidgenössische Techn. Hochschule Zürich
EVD	Eidgenössisches Volkswirtschaftsdepartement
FiBL	Forschungsinstitut für Biologischen Landbau
IMO	Institut für Marktökologie

LBL	Landwirtschaftliche Beratungszentrale Lindau
SBV	Schweizerischer Bauernverband (Swiss farmers' union)
VKMB	Vereinigung der kleineren und mittleren Bauern
VSBLÖ	Vereinigung Schweizerischer biologischer Landbau-Organisationen

CZ

FOA	Foundation for Organic Agriculture
ICEA	Information Centre for Ecological Agriculture
PGLF	Farming and Forestry Support Guarantee Fund

DE

AFP	Agrarinvestitionsförderprogramm
AGÖL	Arbeitsgemeinschaft Ökologischer Landbau
BLE	Bundesanstalt für Landwirtschaft und Ernährung
BML	Bundesministerium für Ernährung, Landwirtschaft und Forsten
CMA	Central Marketing Agency
DBU	Deutsche Bundesstiftung Umwelt
DBV	Deutscher Bauernverband
DFG	Deutsche Forschungsgemeinschaft
FAL	Bundesforschungsanstalt für Landwirtschaft
GAK	Gemeinschaftsaufgabe zur Verbesserung der Agrarstruktur und des Küstenschutz
LÖV	Landesvereinigung für den ökologischen Landbau
MEKA	Marktentlastungs- und Kulturlandschaftsausgleichsprogramm
SÖL	Stiftung Ökologie und Landbau

DK

LØJ Association of Organic Agriculture

ES

CCAA Comunidades Autónomas (Regional governments)

CRAE Consejo regulador de la Agricultura Ecológica

DGIDR Dirección General de Investigación y Desarrollo Rural

MAPA Ministry of Agriculture, Fisheries and Food

FI

GAEPS General Agricultural Environment Protection Scheme

SPS Supplementary Protection Scheme

FR

FNAB Fédération Nationale d'Agriculture Biologique des régions de France

ISARA Institut Supérieur d'Agriculture Rhône-Alpes

ITAB Institut Technique de l'Agriculture Biologique

PACA Provence Alpes Côte d'Azur

PDD Plan de Développement Durable (Sustainable Development Plan)

PDR Rural Development Programme (Objective 5b)

PIDA Integrated Programme for Agricultural Development

GB

BDAA Bio-dynamic Agricultural Association

DANI Department of Agriculture, Northern Ireland

DTI Department of Trade and Industry

FRCA Farming and Rural Conservation Agency

GMG Group Marketing Grant

HDRA Henry Doubleday Research Association

HND Higher National Diploma

IOFGA Irish Organic Farmers and Growers Association

MAFF Ministry of Agriculture, Fisheries and Food

MDS	Marketing Development Scheme
OCIS	Organic Conversion Information Service
PMG	Processing and Marketing Grant
SA	Soil Association
SAC Ltd	Soil Association Certification Limited
SAC	Scottish Agricultural College
SOAEFD	Scottish Office Agriculture, Environment and Fisheries Department
UKROFS	United Kingdom Register of Organic Food Standards
WIRS	Welsh Institute of Rural Studies
WOAD	Welsh Office Agriculture Department

GR

CAEG	Cretan Agri-environmental Group
MAICH	Mediterranean Agronomic Institute of Chania
OOP	Office of Organic Products
SOYE	Association of Ecological Agriculture

IE

BDAAI	Bio-dynamic Agriculture Association Ireland
DAF	Department of Agriculture and Food
IOFGA	Irish Organic Farmers and Growers Association
REPS	Rural Environment Protection Scheme
OPARDF	Operational Programme for Agriculture, Rural Development and Forestry 1994-1999

IT

AIAB	Associazione Italiana per l'Agricoltura Biologica
AMAB	Associazione Mediterranea per l'Agricoltura Biologica
ASCI	Associazione Salvaguardia della Compagna Italiana
CEDAS	Centro Documentazione Agricoltura Sostenibile
CESAR	Centro per lo Sviluppo Agricolo e Rurale
FIAO	Federazione Italiana per el Agricoltura Organica
GRAB-IT	Gruppo di ricerca in agricoltura biologica – Italia
IAM	Istituto Agronomico Mediterraneo
INEA	National Institute for Agricultural Economics
MIPA	Ministry for the Co-ordination of Agricultural Policies

LU

ASTA	L'Administration des Services Techniques de l'Agriculture
SER	Service d'Economie Rurale
VB-DLL	Veräin fir biologesch-dynamesch Landwirtschaft Letzeburg asbl
VBLL	Vereenigung fir biologische Landbau Letzeburg asbl

NL

BD	Vereniging Biologische-Dynamische landbouw
NAJK	National Movement of Young Farmers
NVEL	Nederlandse vereniging voor ecologische landbouw
PBLV	Platform voor Biologische Landbouw en Voeding
PVA	Plan van aanpak biologische landbouw
VEP	Association of organic processors
VWN	Association of health food shops

NO

KNT	De kommunale næringsmiddeltilsyn
NORSØK	Norsk senter for økologisk landbruk

PT

DGDR	Dirrecção General do Desenvolvimento Rural
------	--

IEADR Institute of the Ministry of Agriculture in charge of agricultural structural policy

IMAIAA Institute of the Ministry of Agriculture in charge of all market policy

PAMAF Programme to support the modernisation of agriculture and forestry

SE

SJV Svenska Jordbruksverket (Swedish Board of Agriculture)

**Table 1: Exchange rate for conversion of national currency into ECU (b)
(budgetary) rates, annual averages**

1 ECU =					
Yearly average	1993	1994	1995	1996	1997
ATS	13.62	13.54	13.18	13.43	13.824
BEF/LUF	40.47	39.66	38.55	39.3	40.5332
DEM	1.94	1.92	1.87	1.9095	1.9644
DKK	7.59	7.54	7.33	7.36	7.4836
ESP	149.12	158.92	163	160.75	165.887
FIM	6.7	6.19	5.71	5.83	5.8806
FRF	6.63	6.58	6.53	6.49	6.6126
GBP	0.78	0.78	0.83	0.81	0.6923
GRD	268.57	288.03	302.99	305.55	309.355
IEP	0.8	0.79	0.82	0.79	0.7475
ITL	1841.2	1915.1	2130.1	1959.0	1929.3
NLG	2.18	2.16	2.1	2.14	2.2108
PTE	188.37	196.9	196.11	195.76	198.589
SEK	9.12	9.16	9.33	8.51	8.6512
CHF	1.7302	1.6213	1.5457	1.5679	1.644
CZK	na	na	34.7727	34.4572	35.9304
NOK	8.3095	8.3742	8.2858	8.1966	8.0186

Source: Statistisches Bundesamt, Statistisches Jahrbuch für das Ausland. Data for 1997 and for Czech Republic: Eurostat

**Table 1: Exchange rate for conversion of national currency into ECU (b)
(budgetary) rates, annual averages (cont.)**

1 national currency =					
Yearly average	1993	1994	1995	1996	1997
ATS	0.07342	0.07386	0.07587	0.07446	0.07234
BEF/LUF	0.02471	0.02521	0.02594	0.02545	0.02467
DEM	0.51546	0.52083	0.53476	0.52369	0.50907
DKK	0.13175	0.13263	0.13643	0.13587	0.13363
ESP	0.00671	0.00629	0.00613	0.00622	0.00603
FIM	0.14925	0.16155	0.17513	0.17153	0.17005
FRF	0.15083	0.15198	0.15314	0.15408	0.15123
GBP	1.28205	1.28205	1.20482	1.23457	1.44445
GRD	0.00372	0.00347	0.00330	0.00327	0.00323
IEP	1.25000	1.26582	1.21951	1.26582	1.33776
ITL	0.00054	0.00052	0.00047	0.00051	0.00052
NLG	0.45872	0.46296	0.47619	0.46729	0.45232
PTE	0.00531	0.00508	0.00510	0.00511	0.00504
SEK	0.10965	0.10917	0.10718	0.11751	0.11559
CHF	0.57797	0.61680	0.64694	0.63780	0.60827
CZK	na	na	0.02876	0.02902	0.02783
NOK	0.12034	0.11941	0.12069	0.12200	0.12471

Source: Statistisches Bundesamt, Statistisches Jahrbuch für das Ausland. Data for 1997 and for Czech Republic: Eurostat

**Table 2: Exchange rate for conversion of national currency into ECU (a)
(agricultural/green rates) at 1st January**

1 ECU =						
	1993	1994	1995	1996	1997	1998
ATS	na	na	15.5667	13.4084	13.6782	13.949
BEF/LUF	48.5563	49.307	49.307	39.5239	40.0486	40.932
DEM	2.35418	2.3542	2.3542	1.90616	1.94386	1.9824
DKK	8.97989	9.3481	9.3481	7.49997	7.49997	7.5492
ESP	116.075	190.382	192.319	165.1978	165.198	167.153
FIM	na	na	7.0383	5.88000	6.02811	6.0281
FRF	7.89563	7.9819	7.9819	6.61023	6.61023	6.6877
GBP	0.939052	0.921	0.9536	0.856563	0.809915	0.6957
GRD	310.351	328.567	352.289	311.761	311.761	312.011
IEP	0.878776	0.9764	0.9764	0.829498	0.812908	0.7592
ITL	2087.008	2222.98	2383.42	2164.34	1973.93	1973.93
NLG	2.65256	2.6526	2.6526	2.14021	2.18167	2.2327
PTE	209.523	236.933	239.331	198.202	198.202	200.321
SEK	na	na	10.96	9.24240	8.64446	8.6526

1 national currency =						
	1993	1994	1995	1996	1997	1998
ATS	na	na	0.06424	0.07458	0.073109	0.07169
BEF/LUF	0.02059	0.02028	0.02028	0.02530	0.02497	0.02443
DEM	0.42478	0.42477	0.42477	0.52462	0.51444	0.50444
DKK	0.11136	0.10697	0.10697	0.13333	0.13333	0.13246
ESP	0.00602	0.00525	0.0052	0.00605	0.00605	0.00598
FIM	na	na	0.14208	0.17007	0.165889	0.16589
FRF	0.12665	0.12528	0.12528	0.15128	0.15128	0.14953
GBP	1.06490	1.08578	1.04866	1.16746	1.23470	1.43740
GRD	0.00322	0.00304	0.00284	0.00321	0.00321	0.00321
IEP	1.13795	1.02417	1.02417	1.20555	1.23015	1.31718
ITL	0.00048	0.00045	0.00042	0.00046	0.00051	0.00051
NLG	0.37699	0.37699	0.37699	0.46724	0.45836	0.44789
PTE	0.00477	0.00422	0.00418	0.00505	0.00505	0.00499
SEK	na	na	0.09124	0.108197	0.11568	0.11557

Source: *Agra Europe*

na = not applicable

1 AT – Austria

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1.1 Organic farming support under agri-environment and extensification programmes

1.1.1 Actors

1.1.1.1 Organisations Involved In setting up 2078/92 organic farming support scheme

- Federal Ministry for Agriculture and Forestry
- Chambers of Agriculture
- Provincial offices

1.1.1.2 Organisations Involved In operating 2078/92 organic farming support scheme

- Federal Ministry for Agriculture and Forestry
- Chambers of Agriculture
- Provincial offices
- Agrarmarkt Austria AMA

1.1.2 National/regional legislation which provided organic farming support before 2078/92

1.1.2.1 National/regional legislation

- Agriculture Act, 1988

1.1.2.2 Objectives of any national/regional legislation

- Development and adoption of knowledge, skills and techniques

- Adoption of agricultural production methods which keep production intensity low and take particular account of ecological requirements
- Introduction of alternative production
- Adaptation to market requirements

1.1.2.3 Payment levels envisaged in national/regional legislation

The 1988 Agriculture Act and subsequent legislation provided for the following support:

- | | |
|---------|--|
| 1989/90 | Support (50% of eligible salary and other costs) for the development of appropriate structures, i.e. organic farmers' organisations, extension, marketing and public relations. Converting farms were supported in Niederösterreich, Oberösterreich, Steiermark and continuing farms in the latter only. |
| 1990/91 | Conversion supported on national basis as pilot scheme (Umstellungsförderung) |
| 1992 | Agri-environmental model (Biobauernzuschuß) involving supporting continuing production as well as conversion, but with no higher payments in transition to avoid subsidy-driven conversion. |

Details of support levels for organisations and organic producers are contained in the relevant tables below.

1.1.3 Agri-environment measures implemented

	Measures	Start year	Regions ¹	Number of farms 31.12.96	Land area (ha) 31.12.96
1	Basic support	1995	All	163 501	2 287 784
2	Promotion of organic farming	1995	All	18 109	244 624
3.1	Prohibition of yield increasing farm inputs - arable and grassland	1995	All	34 984	297 763
3.2	Prohibition of yield increasing inputs - fruit, wine, ornamental plants (integrated production)	1995	All	Fruit 4 982 Wine 14 162 Other 45	Fruit 17 758 Wine 36 329 Other 274
4	Extensive grassland production	1995	Traditional areas	11 217	113 484
5	Reduction of livestock density	1995	All	0	0
6	Stabilisation of crop rotation	1995	All	76 109	1 145 746
7	Extensive cereal production for human nutrition	1995	All	28 988	240 781
8	Prohibition of farm inputs that increase output on single plots	1995	All	82 128	308 276
9	Prohibition of soluble mineral fertilisers and synthetic chemicals	1995	All	46 659	236 632
10	Mowing meadows at restricted times	1995	B, S, St	2 730	5039
11.1	Erosion control - orchards	1995	B, Nö, St	2 508	7 839
11.2	Erosion control - vineyards	1995	B, Nö, St, W	3 088	4 508
11.3	Erosion control - arable land	1995	K, Nö, Oö, St	240	433
12	Mowing steep slopes, alpine meadows	1995	K, Nö, Oö, S, St, T, V	60 888	232 627
13	Grazing alpine pastures and subsidy for herdsmen	1995	K, Nö, Oö, S, St, T, V	8 804	269 152
14	Management of ecologically valuable areas	1995	B, K, Nö, Oö, St, V	43 412	35 361

Agri-environment measures implemented (cont.)

	Measures	Start year	Regions ¹	Number of farms 31.12.96	Land area (ha) 31.12.96
15	Management of landscape and habitats on 20 year set-aside land	1995	B, K, Nö, Oö, St,	512	399
16	Rearing livestock in local breeds in danger of extinction	1995	All	3 329	216 790 LU
17	Regional project eco-points	1995	Nö	nd	9 921
18	Regional project	1995	St	nd	379
19	Endangered crop varieties	1995	Nö, S, St, V	12	4
20	Managing abandoned forests	1995	B, K, Nö, Oö, St,	228	477
21	Provision of land for ecological objectives	1995	B, K, Nö, Oö, St, W	968	456
22	Management to reach ecological objectives on CAP set-aside land	1995	B, K, Nö	2 068	4 600
	ÖPUL total (Excl. basic payment)			446 170	3 212 862
	ÖPUL total (end 1997 estimate)			(1997) 440 000	(1997) 3 100 000
<i>Pre-1995 programmes to support organic farming</i>					
	Promotion of organic farming	1991-1994	All	(1994) 11 568	(1994) 153 800

Sources: 1996 data: Deblitz and Plankl (1997), amended; 1997 data: 2078/92 statistical reporting by Member State to European Commission.

¹ B: Burgenland, K: Kärnten, Nö: Niederösterreich, Oö: Oberösterreich, S: Salzburg, St: Steiermark, T: Tirol, V: Vorarlberg, W: Wien

1.1.4 Details of organic farming scheme(s)

1.1.4.1 Requirements and eligibility conditions

Farmers eligible to participate	Converting <input checked="" type="checkbox"/> Continuing <input checked="" type="checkbox"/>
Organic certification requirement	<input checked="" type="checkbox"/> 2092/91 approved body or province governor
Maximum size/payment limit	- (<input checked="" type="checkbox"/> 1994: 100 000 ATS/farm)
Minimum size/payment limit	<input checked="" type="checkbox"/> 2.0 ha or 0.5 ha if >0.25 ha perennial crops and herbs
Stocking rate limit	<input checked="" type="checkbox"/> max 2 LU/ha, min 1.5 LU/farm (ruminants or other livestock kept outdoors)
Eligible crop restrictions	<input checked="" type="checkbox"/> set-aside land (under arable crop support scheme) not eligible
Organic management of livestock	<input checked="" type="checkbox"/> to national standards (Codex Alimentarius Austriacus)
Staged conversion possible	<input checked="" type="checkbox"/> (previously not possible)
Part farm conversion possible	<input checked="" type="checkbox"/> (if part farm, must include whole unit not individual crops)
Training and/or advice provided	<input checked="" type="checkbox"/> Compulsory attendance at training courses of at least 15 hours, of which up to 5 may be field visits. Participation is not supported financially.
Other restrictions	<ul style="list-style-type: none"> ▪ partly perforated floors prohibited for calves, pigs, lambs, pullets, and table birds; silage must be supplemented by hay in ruminant diets ▪ prohibition of readily soluble chloride-based fertilisers (e.g. KCl) and sewage sludge/composts; ▪ erosion control in fruit and wine production: at least 10 months ground cover, including winter periods, or terracing. ▪ maintenance of landscape elements ▪ holdings with more than 90% permanent grassland must have at least 0.2 grazing LU per forage ha and at least 1.5 LU per farm. This figure may include free range non-grazing livestock.
Adjustments made to scheme	-

✓ = yes, - = no.

1.1.4.2 Regional variations

None

1.1.4.3 Payment rates for organic farming scheme(s) (ATS/ha)

Year	Region	Land use/type	Conversion	Continuing	Comments
1991	Pilot scheme	Arable	3 000	0	Max. 5 ha;
		Grassland ²	1 500		
1993-1994	All	Arable ¹	2 500	2 500	Plus 4 000 ATS per applicant Max. payments: 1993: 55 000 ATS, 1994: 100 000 ATS ³
		Grassland ²	1 000	1 000	
		Specialist crops	5 000	5 000	
1995-1998	All	Arable ¹	4 500	4 500	500 ATS/ha supplement payable for up to 10ha if farm certified by recognised organisation (not co-financed by EU)
		Grassland ²	3 000	3 000	
		Vegetables	6 000	6 000	
		Fruit/vines/hops/intensive hortic.	10 000	10 000	
1998	All	All	Modulation introduced: 0-100 ha, 100%; 100-300 ha, 92.5 %; 300-1000 ha, 87.5%; >1000 ha, 82.5%		

¹ Excludes fodder crops covered by livestock reduction schemes

² Grassland payment differentiated by type/use - factors pre- and post-1995 are 100% for permanent grass (2 or more cuts) and leys; 50% for permanent grass (1 cut); and 25% for extensive grass and alpine meadows.

³ Farms with a unit value of more than 450 000 ATS received no basic payment of 4 000 ATS resulting in a corresponding reduction in maximum amounts.

1.1.4.4 Support other than direct income payments

Certification and inspection	The farmer receives 500 ATS/ha on up to 10 ha as a contribution to inspection costs as part of ÖPUL – not co-financed by EU
Training and education	Institutions which carry out certain functions in line with Article 1g of 2078/92 can be supported under ÖPUL. Organic farming organisations receive support for the provision of courses

1.1.5 Combinations between organic farming and other agri-environment measures

 Optional

1.1.5.1 Requirements and payment levels for combinable or competitive agri-environment measures

	Measure	Main requirements	Typical payments (ATS/ha)	Relationship to organic
1	Basic support	Code of good fertilising practice Max 2.5 LU/ha, 2.0 LU from 1998 Maintain existing landscape features Maintain proportion of grassland	Arable 650 (reduced on set-aside) Grassland 700 ²	Combinable ³ (normally combined in practice)
3.1	Restricted inputs - arable and grassland	2092/91 Annex II restrictions with some exceptions/additional constraints	Arable 3 000 Grassland 2 000 ²	Not combinable, competitive
3.2	Integrated production of fruit, wine and ornamental plants	Integrated production standards apply	Fruit 7 000 (8 000 if no herbicides used) Wine 8 000 Plants 5 000	Not combinable, competitive
4.1	Extensive grassland production	2092/91 Annex II restrictions apply Max 2.5 LU/ha, 2.0 LU from 1998 Min 0.5 LU/ha No silage or sewage sludge/compost Designated regions only – farmers must have participated in 1994 scheme	Grassland 2 500 ²	Combinable ³
4.2	Reduced stocking	Reduction of total number or increase in forage area, additional constraints	2 800/LU reduced ¹	nd
6	Stabilisation of crop rotation	Min var. % cover crops (3 months from before 1/12 to after 1/12) Max 75% arable = cereals and maize	Cover crop area: 115% 900 25% 1 400 35% 1 900	Combinable

Requirements and payment levels for combinable or competitive agri-environment measures (cont.)

	Measure	Main requirements	Typical payments (ATS/ha)	Relationship to organic
7	Extensive cereal production for human nutrition	Restricted growth regulator, fungicide and fertiliser inputs, specific varieties, min 10%, max 40% of arable land.	2 400	Not combinable, competitive
8	Restricted inputs that increase output on single plots	Varying restrictions on inputs, some based on 2092/91 Annex II.	Inputs 800-2 500 Integrated vegetable production 4 000	Not combinable, competitive
9	Prohibition of soluble mineral fertilisers and synthetic plant protection substances	Grassland only. 2092/91 Annex II restrictions apply except for spot treatment of plants. Not applicable to very extensive grassland.	> 30% land included: 1 600 > 60 % land included: 1 800	Not combinable, competitive
10	Mowing of meadows at restricted times	No biocides - spot treatment only Organic fertiliser only.	Grass 2 500 or 3 500 ² depends on gradient	Combinable ³
11.1	Erosion control measures in orchards and vineyards	Cover crops for 10 months including winter, soil to be covered by grass, grass mulch, green manure, straw or bark mulch according to climate	Orchards 2 000 - 4 000 Vineyards 2 000 - 7 000 depending on gradient	Combinable but payment reduced by 2 000
11.3	Erosion control measures on arable land	Cereals, maize, soya, sugar beet: soil cover and switch from maize	U/sow, intercrop 500 Maize to fodder or perm. grass 1 000	Combinable
12	Mowing of steep slopes and alpine meadows	At least one cut/harvest of steep slopes each year and alpine meadows every two years	Grass 2 000-4 000 ² depending on gradient and region	Combinable ³
13	Premium for grazing alpine pastures and subsidy for herdsmen	Grassland only. 2092/91 Annex II restrictions apply except for spot treatment of plants.	Dairy cows 1 200 plus herder 800 Other livestock 700 plus herder 300	Combinable ³
14	Management of ecologically valuable areas	2092/91 Annex II restrictions apply except for spot treatment of plants. Individual management agreements.	Payments very variable up to 7 500	Incompatible

Requirements and payment levels for combinable or competitive agri-environment measures (cont.)

	Measure	Main requirements	Typical payments (ATS/ha)	Relationship to organic
15	Landscape and habitats on 20 year set-aside land	2092/91 Annex II restrictions apply except for spot treatment of plants. Nature conservation only.	Arable 10 000 Grassland 9 000 ²	Combinable on separate areas
16	Endangered livestock breeds	Membership of breed society and participation in breeding programme	Cattle, horses 2 000; Sheep, goats 300/LU	Combinable ³
17	Eco-points project Niederösterreich	Eco-points can be gained or lost for using/not using specified practices.	Payments rates linked to eco-point score	Not combinable ⁴
18	Regional programme Steiermark	nd	nd	Not combinable
19	Endangered crop varieties	Specific varieties only.	4 000	Not combinable
20	Management of abandoned forests	Various restrictions.	Woodland 4 000	Combinable on separate areas
21	Provision of land for ecological objectives	2092/91 Annex II restrictions apply except for spot treatment of plants. Nature conservation only.	Arable 5 800 Grass 4 800 ²	Combinable on separate areas
22	Ecological objectives on CAP set-aside land	2092/91 Annex II restrictions apply except for spot treatment of plants. Nature conservation only.	Set-aside 1 200	Combinable on separate areas

Source: *Deblitz and Plankl (1997)*

nd = no data available

¹ If payment made for reducing livestock numbers, then no arable area payments can be made for arable land used for fodder production.

² Grassland payment differentiated by type/use - factors pre- and post-1995 are 100% for permanent grass (2 or more cuts) and leys; 50% for permanent grass (1 cut); and 25% for extensive grass and alpine meadows.

³ Where permanent grassland is involved, combination is possible only on separate areas as permanent grass not eligible for organic farming support.

⁴ Unless separate undertaking

From 1998, new entrants are again accepted.

Modulation introduced

- for the basic payment: 0-100 ha, 100%; 100-300 ha, 90%; > 300 ha, 80%;

- for all other support (conventional farms): 0-100 ha, 100%; 100-300 ha, 85%;

300-1 000 ha, 75%; >1 000 ha, 65%;

- payment rates on some schemes (1, 6, 7 above) modified.

Source: *STAR (1997)*.

1.1.6 Public expenditure and EU contribution for organic farming and other agri-environment measures (MATS)

Pre-1995 programmes to support organic farming

Measure		Forecast										
		1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Organic producers	Budget	nd	nd	15.4	103	121.4	225	na	na	na	na	na
	Actual	nd	nd	nd	nd	nd	216					
Organic farm organisations	Budget	2.0	6.2	6.5	7.4	14.9	18.5	22.4	23.3	24	24	24
	Actual	2.4	nd	nd	nd	nd	nd	nd	nd	nd	na	na

ÖPUL (a)

Measure		Prov.					Forecast	
		1995	1996	1997	1998	1999		
1	Basic support	Actual	1 542.0	1 485.1	1 305.3	na	1 625.3	
2	Organic farming	Actual	659.6	747.4	898.7	na	929.5	
3.1	Restricted inputs - arable, grass	Actual	650.2	570.7	652	na	705.1	
3.2a	Integrated production fruit	Actual	71.4	95.7				
3.2b	Integrated production wine	Actual	340.1	290.0	367.7	na	439.4	
3.2c	Integrated production plants	Actual	2.4	1.4				
4	Extensive grassland production	Actual	264.3	263.6	271.5	na	271.5	
5	Reduction of livestock numbers	Actual	0.0	0.0	0	na	0	
6	Stabilisation of crop rotation	Actual	1 282.2	2 108.8	1 464.6	na	1 534.2	
7	Extensive cereal production	Actual	598.1	577.2	598.4	na	700	
8	Restricted inputs - single plots	Actual	321.8	275.1	321.8	na	273.9	
9	Restricted inputs - general	Actual	439.5	415.7	443.3	na	482.4	
10	Restricted mowing of meadows	Actual	12.4	11.0	11.3	na	11.3	
11.1	Erosion control - orchards	Actual	9.2	10.5	9.7	na	9.7	
11.2	Erosion control - vineyards	Actual	7.3	7.3	7.6	na	7.6	
11.3	Erosion control - arable land	Actual	0.6	0.3	0.5	na	0.4	
12	Mowing steep slopes/ alpine meadows	Actual	605.5	614.8	636.5	na	636.5	
13	Grazing alpine pastures/ herdsmen	Actual	261.1	263.2	280.3	na	280.3	
14	Ecologically valuable areas	Actual	141.4	146.5	143	na	147.8	
15	20 year set-aside	Actual	1.1	3.6	3.1	na	3.3	
16	Endangered local breeds	Actual	21.6	21.6	21.4	na	22.2	

ÖPUL (a) (cont.)

				Prov.		Forecast	
Measure		1995	1996	1997	1998	1999	
17	Regional ecopoints project	Actual	7.8	40.7	49.6	na	54
18	Steiermark regional project	Actual	1.0	1.2	nd	na	na
19	Planting of endangered crop varieties	Actual	0.1	0.0	0.1	na	0.1
20	Management of abandoned forests	Actual	2.7	1.9	1.5	na	1.5
21	Land for ecological objectives	Actual	3.0	2.6	3.2	na	4.4
22	Management of CAP set-aside land	Actual	5.5	5.5	5.6	na	5.6
23	Training of farmers	Actual	0.3	nd	1.2	na	1.2
	ÖPUL Total	Budget	nd	nd	7 498	7 974	8 148
		Actual	7 252	7 961	nd	nd	nd
		EU %	52	52	52	52	52

Source: 1995, 1996 data – Deblitz (1997); 1997-1999 data - Ministry of Agriculture and Forestry (STAR, 1997).

na = not applicable, nd = no data available

ÖPUL (b) – 15th October each year

				Forecast			
Measure		1995	1995 + 1996	1997	1998	1999	
Sub-total extensive systems	Budget	nd	nd	nd	5 079	5 079	
	Actual	4 365	10 224	4 883	na	na	
	EU share	1 545	5 043	2 535	2 637	2 637	
Sub-total extensive crops	Budget	nd	nd	nd	816.4	816.4	
	Actual	784.1	1 797.5	774.4	na	na	
	EU share	285.3	890.9	418.9	436.2	436.2	
Sub-total extensive grassland	Budget	nd	nd	nd	390.5	390.5	
	Actual	408.8	869.8	376.1	na	na	
	EU share	142.3	427.2	191.6	199.3	199.3	
Sub-total landscape/biodiversity	Budget	nd	nd	nd	926.5	926.5	
	Actual	985.1	2 090.8	891.3	na	na	
	EU share	336.2	926.2	446.0	463.6	463.6	

ÖPUL (b) – 15th October each year (cont.)

Measure		1995	1995 + 1996	1997	Forecast	
					1998	1999
Sub-total landscape elements	Budget	nd	nd	nd	14.6	14.6
	Actual	11.6	25.6	13.9	na	na
	EU share	4.6	10.8	8.0	8.4	8.4
Sub-total training	Budget	nd	nd	nd	0.4	0.4
	Actual	0.4	0.7	0.4	na	na
	EU share	0.1	0.3	0.2	0.2	0.2
Total	Budget	nd	nd	nd	7 227	7 227
	Actual	6 555	15 008	6 939	na	na
	EU share	2 313	7 299	3 599	3 744	3 744

Source: 2078/92 statistical reporting by Member State to European Commission

na = not applicable, nd = no data available

1.1.6.1 Reasons for adjustments to budget

Changes introduced in 1997 to reduce overall cost of scheme, primarily in relation to 'basic payment' and 'stabilisation of crop rotation' measures. All schemes apart from organic farming were closed to new entrants from 1/1/1996. In 1998, revisions were introduced, including modulation for most schemes to reduce payments above specified levels (STAR, 1997).

1.2 Impact of mainstream agricultural support measures on organic farming

1.2.1 Actors

Not applicable

1.2.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Not applicable (pre-1995 policies not analysed)

1.2.3 Variations in mainstream CAP Reform measures implemented

All standard measures implemented in 1995 (on accession) except male calf processing scheme

Some similar measures existed pre-accession, e.g. suckler cow premium since 1988, sheep annual premium since 1990, livestock support in less favoured areas since 1972.

Of potential interest for organic farming are the investment aids for animal welfare friendly housing systems available since 1990.

1.2.4 Set-aside management requirements and Implications for organic farming

Set-aside requirements have no significant implications for organic farming, as the need for fallow on organic farms is relatively high. Any additional land set-aside voluntarily would qualify for higher payments as organic arable land than as set-aside land which is not eligible for organic aid.

1.2.5 Impacts of other measures on organic farming

No details

1.2.6 Special provisions for organic/converting producers

No special provisions exist

1.2.7 Environmental cross-compliance measures and Implications for organic producers

Few relevant ones. A number of environmental laws represent effective constraints on organic producers as all producers.

1.2.8 Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming

No impact on organic farmers identified

1.2.9 Impact of national or regional aids on organic farming

Not applicable

1.3 Marketing and processing schemes**1.3.1 Legislation which provides/provided support for market and processing****1.3.1.1 National legislation**

1. Sonderrichtlinie für die Förderung von Sach- und Personalaufwand (Dienstleistungsrichtlinien) 25.075/02-II/95 (Special guidelines for the support of wages and consumables). This includes the Innovation Scheme through which a number of organic projects have benefited. Some measures within this guideline are part financed through EC Reg. 866/90, whereas the Innovation Scheme is financed nationally.
2. Sonderrichtlinie für die Förderung von Investitionen (Investitionsrichtlinie) 25.075/01-II/95 (Special guidelines for investment support). This includes the Marketing Improvement Scheme (incl. promotion of organic logos).
3. Agriculture Act, 1988
4. Subsidies are available from the state and the *Bundesländer* for direct marketing organisations

Objectives:

1. Sonderrichtlinie für die Förderung von Sach- und Personalaufwand
To improve expertise and knowledge of low-input and organic agricultural methods, to expand production and meet market demand.
2. Sonderrichtlinie für die Förderung von Investitionen (Investitionsrichtlinie)
Among the objectives for investment support is the promotion of environmentally friendly farming practices.

The 1988 Agriculture Act and subsequent legislation provided support for the following: 1989/90 Support (50% of eligible salary and other costs) for the development of appropriate structures, i.e. organic farmers' organisations, extension, marketing and public relations. Converting farms were supported in Niederösterreich, Oberösterreich, Steiermark and continuing organic farms in the latter only.

1.3.1.2 EU legislation

1. Support for organic farming is one of the priorities of the Austrian programme under EC Reg. 951/97. The level of support is on average 25% (27.3% EU, 43% *Bund*, 29.1% *Länder*).
2. Support for organic producer groups has been included in the programming document under EC Reg. 952/97. This has not yet been finally approved.
3. Part of the Objective 5b funding programme in the Austrian *Bundesländer* is directed at organic processing and marketing projects (see next section, Regional and Rural Development Schemes).

1.3.2 Organisations/projects which have received funding from market and processing schemes

Examples include:

- Ökoland: Producer co-operative
- Agrarmarkt Austria (AMA): Public relations company
- Individual producer organisations: Public relations, organic markets, marketing bodies, development of organic logos.

1.3.3 Actors: Organisations active in market development within the organic sector

- ARGE Biolandbau: Umbrella organisation of the most important producer organisations
- ERNTE association: the largest organic organisation in Austria (half of which are producers): marketing; advice; education; licensing contracts
- L Boltzman Institut für biologischen Landbau und angewandte Ökologie (Institute for organic agriculture and applied ecology)
- Interessengemeinschaft für biologische Landwirtschaft: small umbrella organisation: co-ordination, public relations
- Supermarkets
- See also 1.3.2

1.3.4 Public expenditure for the organic sector (MATS)

Project/Funding measure	Year	Forecast					
		1994	1995	1996	1997	1998	1999
Innovation Scheme	Actual	3.5	nd	1.1	nd	nd	nd
Marketing Improvement Scheme	Actual	8.1	3	6.5	6.5	6.5	6.5
Total ¹	Actual	8.6	3	7.6	6.5	6.5	6.5
	EU %:	nd	nd	nd	nd	nd	nd

nd = no data available

¹ Expenditure for organic farming under EC Reg. 951/97 not available

1.3.5 General Comments

An evaluation of the Austrian programme under EC Reg. 951/97 is underway to evaluate the projects according to economic viability, project specific and macro-economic criteria. Organic production will form part of the project specific evaluation. Depending on the evaluation results support of between 15 and 30% is planned.

A potential problem identified with the planned EU support under Regulation 951/97 is that although the evaluation criteria that have been decided by the Commission generally place emphasis on organic products, the exclusion criteria on the product level make support impossible, for example in the area of organic buttermilk production.

Under EC Reg. 952/97 for producer groups, the nationally defined limits of turnover and minimum number of members are lower than those for conventional producer groups.

1.4 Regional and Rural Development Schemes

1.4.1 Legislation which provides support for regional and rural development

There is no such national or regional legislation. A number of organisations such as dairies, storage facilities for fruit have received Objective 5b funding. Support for organic agriculture is included in sub-measure 8.2.1 of the Objective 1 Single Programming Document for Burgenland.

1.4.2 Organisations/projects which have received funding from regional and rural development schemes

Examples of Objective 5b funding include:

- Organic farmers, Sulzberg: marketing
- „Leben und Natur“: dairy and quality products
- Südsteirische Biotour: holidays on organic farms, direct marketing
- Minimolk: organic milk marketing
- Organic farm shop
- „Urkraft“ farmers union: development of the symbol “Urkraft”

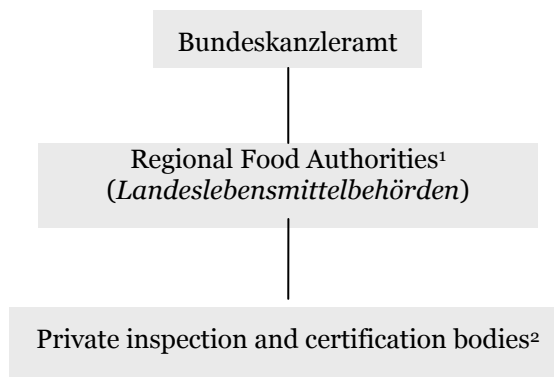
1.4.3 Public expenditure

Approximately 150 MATS have been spent on organic projects in the period 1995-1997

1.5 Organic production standards, inspection and certification

1.5.1 Actors

1.5.1.1 Main bodies involved in administration, inspection and certification



¹ Competent Authorities responsible for administration of EC Reg. 2092/91

² Inspection and certification

Administration of inspection and certification under 2092/91 is carried out at a federal level by the nine regional food authorities (*Landeslebensmittelbehörde*) under the Ministerial Department for Work, Health and Social Issues (*Bundeskanzleramt*). These are all government bodies whose role is purely administrative. Inspection and certification is carried out by private inspection and certification bodies to EC Reg. 2092/91 standards for crop production and to the Codex Alimentarius standards for livestock production (see below). There are currently 15 control bodies authorised under 2092/91.

1.5.1.2 Private sector bodies operating their own set of standards

The following organic producer organisations set their own standards for their members:

- *ARGE Bio-Landbau* (Umbrella organisation):
 Biol. Ackerfrüchte aus Österreich;
 Biolandwirtschaft Ennstal;
 Demeter Bund;
 Ernte für das Leben;
 Freilandverband.
- *Österreichische Interessensgemeinschaft für biol.Landwirtschaft* (Umbrella organisation):
 Dinatur;
 Erde und Saat;
 Kopra;
 Verband organisch biologischer Bauern Weinviertel;
 Biohof-Gemeinschaft pannonische Region.

The standards of the above organisations are stricter than EC Reg. 2092/91 in the areas of bought in manure and certain approved inputs. However, the standards apply only to the members of these organisations and are not legally binding.

1.5.2 National definition for organic farming (not EC Reg. 2092/91)

1.5.2.1 National legislation defining organic farming

In 1983, the Codex Alimentarius Austriacus provided the first legal definition of the term “organic agricultural products” under the Austrian Food Law (Lebensmittelgesetz). The standards outlined in this national definition are comparable to those laid out in 2092/91 and the IFOAM standards. The national definition has been replaced for crop production. For livestock, the Codex Alimentarius Austriacus is still valid and is administered by the regional food authorities.

1.5.2.2 Non legal national definition of organic farming

None

1.5.3 Prosecutions in breach of 2092/91 legislation or any other national legislation

Violations of EC Reg. 2092/91 are subject to the following sanctions:

Minor offences: repeat of inspection (chargeable), increased record keeping

Major offences: Loss of organic status, inability to market products as organic

1.5.4 Financial support towards inspection and certification costs (ATS)

Each producer receives 500/ha (max. 5 000 per farm per year) towards inspection and certification costs. This is treated as a state aid and is not co-financed by EU, although linked to 2078/92.

1.5.4.1 Eligibility requirements of payments

Inspection according to EC Reg. 2092/91

1.5.5 Average inspection and certification costs (ATS)

Costs vary according to the control body and the type of enterprise. On average, 5 000 to 40 000.

For example, ABG charges 970 as a basic fee per inspection plus 58/ha of permanent pasture and cropping area and 200/ha of horticulture.

1.5.6 Public expenditure for the administration, inspection and certification under 2092/91 or any national definition (MATS)

	Year	Forecast						
		1993	1994	1995	1996	1997	1998	1999
Administration	Actual	nd	nd	nd	nd	nd	nd	nd
Support for certification costs	Actual	na	na	65.7	70 est.	70 est.	nd	nd
	EU %			0	0	0		

na = not applicable, nd = no data available

1.6 Advice and extension

1.6.1 National/regional programmes and legislation

Since 1996, the Ministry for Agriculture and Forestry has offered a special training programme for advisors in organic agriculture leading to a certificate. The Ministry offers further in-service training for advisors on organic farming and specific topics that might be of relevance (such as animal welfare).

1.6.2 General provision of extension

Direct advice is available to farmers through:

- Nine regional offices of the regional chambers of agriculture (agricultural administration & extension);
- The organic farming certification bodies;
- Private consultancy firms.

The regional chambers of agriculture are partly funded through a compulsory levy for all farmers (*Kammerumlage*) and farmers can receive general advice from those bodies free of charge, more specialist services might be charged. Information about organic farming to farmers is also provided by the organic farming producer organisations, where the costs are usually included in the annual membership fee.

In total there are currently about 23 people working in advice for organic farming (Gruber, 1998).

A further source of information are 29 training places that are recognised under ÖPUL.

1.6.3 Public expenditure (MATS, estimate)

	Forecast						
	1993	1994	1995	1996	1997	1998	1999
Total extension	nd	nd	nd	4.0	4.0	4.0	4.0

nd = no data available

The estimate consists of the share of the extension services in the overall public support for the producers organisations 4 MATS of a total of 16.6 MATS. This is split between the federal government (10.4 M) and the *Länder* (6.2 M). The missing 60% of the total expenses of the producers' organisations is covered by membership fees.

There is no specific budget for organic extension services in Austria other than what is included in the general programme.

There is no estimate of the public expenditure for the organic farming advisors in the regional chambers of agriculture. The total support for extension in the area of environmental impact of agriculture has been estimated at 8 MATS per year, but it can not be specified how much is organic work.

In addition there is some funding for projects in 5b areas, which has not been specified.

1.7 Training and education

1.7.1 National/regional programmes

Austria has included some training in organic farming in the curriculum for secondary agricultural colleges since 1994.

The Austrian support programme for biological producers under 2078/92 (ÖPUL) has the objective to maintain traditional Austrian agriculture under the particular conditions of Austria. Since 1992, it has included a 3 day training course "Introduction into organic farming" as compulsory for those farmers that are receiving organic aid. The course is offered by 29 registered training institutions, including the organic producers organisations. The institutions get 80 ATS per participant per day, and 50% of the costs for training material. The participants/farmers can claim another 100 ATS per person to support the costs of accommodation (Deblitz and Plankl, 1997).

1.7.2 General provision of training

- Ökowiirtkurs (LFI Oberösterreich), one year additional qualification in organic agriculture with support of the Department of Employment, first started in 1989.
- Agricultural training (Landwirtschaftliche Facharbeiterausbildung in Fachschulen mit Schwerpunkt Biologischer Landbau z.B. LFS Alt-Grottenhof, LFS Edelhoferhof, LFS Tullnerbach).
- Higher agricultural training (Landwirtschaftliche Ausbildung mit Maturaabschluss in der HBLA für alpenländische Landwirtschaft Ursprung, Salzburg mit Schwerpunkt Biologischer Landbau und Umweltschutz)
- Academic training in biological agriculture at the Universität für Bodenkultur, including a chair for ecological agriculture.

In addition to the training provided under ÖPUL, there are several training opportunities at a technical as well as academic level.

1.7.3 Public expenditure (MATS)

		Forecast						
Year		1993	1994	1995	1996	1997	1998	1999
Training under ÖPUL ¹	Actual	nd	nd	0.4	0.125	nd	nd	nd
	EU %				nd			
	EC Reg.				2078/92			

nd = no data available

¹ No estimates for schools and colleges that teach special courses in biological agriculture or for the chair for ecological agriculture at the University of Vienna.

1.8 Research and development

1.8.1 National/regional programmes

In 1991 the FBL (Forschungsinitiative biologischer Landbau, research initiative biological agriculture) was established and is co-ordinated by the chair for ecological agriculture at the Universität für Bodenkultur, Wien. The main objectives of the initiative are:

- To enhance communication between the researchers and institutions involved;
- To further develop appropriate methodology;
- To set guidelines for research priorities.

In the general research priorities for agriculture of the Ministry of 1996 the evaluation of ÖPUL is included. A list of research priorities based on Lindenthal (1996) is used by the Ministry.

1.8.2 General provision of research

In the past the majority of work was carried out by private institutions. Since the end of the 1980s, when organic farming started to be officially recognised, more research has been carried out at public research institutions and universities. At present the following institutions are involved:

- The private Ludwig Boltzmann Institute for biological agriculture and applied ecology;
- Chair for ecological agriculture at the Universität für Bodenkultur, Wien;
- Three research institutes of the Ministry of Agriculture and Forestry;
- Other departments of BOKU and other universities.

In the past the main emphasis of the public bodies in funding agricultural research was on comparative studies. The FBL regards those studies as no longer to be of a high priority (Lindenthal, 1996) and identified research deficits in the following areas:

- Closed material cycles at farm and regional level;
- Energy efficiency and solar energy sources;
- Strengthening and utilisation of natural self-regulatory mechanisms;
- Practical orientation of research;
- Suitable systems of animal husbandry as well as natural breeding programmes oriented towards animal welfare and health;
- Specific problems in the field of organic fruit growing, viticulture, horticulture as well as processing and product quality (Lindenthal, 1996, P. 6).

1.8.3 Public expenditure (MATS)

		Forecast							
		Year	1993	1994	1995	1996	1997	1998	1999
Research ¹	Actual	nd	1.34	2.67	1.16	1.47	0.9	nd	

¹ The estimates included only the expenditure by the Austrian Ministry of agriculture and do not include projects that were financed by other public bodies. Several projects were co-financed by FAIR, but the exact number is not known.

1.9 Future policy developments

The future of organic farming in Austria will depend on the extent to which EU accepts AT agri-environment proposals and impact of Agenda 2000, in particular the direct payments under regional support programmes. The income situation of organic farmers will become more similar to conventional farmers if current conversion rates continue, so EU support will play a critical role. The second factor is market development. Here the picture is uneven. While the market for animal products is already saturated, there is still demand for crop products. Further market development is therefore only likely in the plant product area.

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2 BE – Belgium

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2.1 Organic farming support under agri-environment and extensification programmes

2.1.1 Actors

2.1.1.1 Organisations Involved In setting up 2078/92 organic farming support scheme

Initially, in the Wallonie region, the department for the development of the 2078/92 programme was not clearly defined and the region started a study for a scheme that would later become federal government responsibility

- Federal Ministry (DG2 and DG6)
- UNAB-NUBILA (professional Union - mainly for Wallonie)
- BELBIOR (professional Union - Flemish counterpart of the former)
- CARAB (Ecocert did not exist at that time)
- Blik (BLIVO did not exist at that time)

2.1.1.2 Organisations Involved In operating 2078/92 organic farming support scheme

- Federal Ministry of Agriculture (DG3, DG4)
- CARAB / Ecocert
- Blik / BLIVO

2.1.2 National/regional legislation which provided organic farming support before 2078/92

Not applicable

2.1.3 Agri-environment schemes (measures) Implemented

Horizontal measures

	Measures	Start year	Regions	Number of farms at 15/10/97	Land area (ha) at 15/10/97
1	Support to organic farmers and farmers in conversion	1995	All	145	3 401
2	Demonstration projects: organic farming methods	1995	All	2	nd
3	Demonstration projects: experimental fields	1995	All	14	nd
4	Demonstration projects: monitoring/warning services	1995	All	9	nd
	Regional demonstration projects	1995	Wallonie	13	nd
	Regional demonstration projects	1995	Flanders	0 (1996=3)	nd
	Other regional measures (see separate table)	1995	Wallonie	1 641	15 558

Source: 2078/92 statistical reporting by Member State to European Commission

Flemish regional measures are not yet implemented. Law approved in 1995 implemented retrospectively for 1994 for organic farming and some other schemes.

Regional measures – Wallonie

	Measures	Start year	Number of farms 1996	Land area (ha) 1996
5	Late mowing and diversification in temporary grassland	1995	142	1 022
6	Replacement of arable land by a grass strips or headlands	1995	12	42
7	Establish extensive headlands	1995	2	10
8	Replacement of intensive grassland or low stemmed orchards by extensive grassland	1995	1	2
9	Preservation and maintenance of hedges and woodland strips	1995	784	1 442 km
10	Keeping livestock density \leq 1.4 LU/forage ha	1995	50	1 864
11	Preservation of endangered local species	1995	86	272 animals
12	Reduction of inputs and of the density of seeding (cereals)	1996	4	45

Regional measures – Wallonie (cont.)

	Measures	Start year	Number of farms 1996	Land area (ha) 1996
13	Reduction of inputs and synthetic herbicides (cereals)	1996	3	61
14	Reduction/localisation of inputs and synthetic herbicides (maize)	1996	1	7
15	Reduction of inputs and under-sowing (maize)	1996	1	5
16	Green cover during winter	1996	2	85
17	Delay of mowing with limited use of inputs	1996	5	34
18	Conservation measures on wetlands	1996	5	26
19	Conservation of traditional orchards	1996	1	0.5
20	Planting of old varieties of fruit trees	1996	1	0.5
21	Traditional crops and vegetables	1996	0	0

2.1.4 Details of organic farming scheme

2.1.4.1 Requirements and eligibility conditions

Farmers eligible to participate	Converting <input checked="" type="checkbox"/> Continuing <input checked="" type="checkbox"/>
Organic certification requirement	<input checked="" type="checkbox"/> With certification bodies registered by the Federal Ministry of Agriculture: Blik and Ecocert for plant production (2092/91) and with Biogarantie for plant production not covered by 2092/91 (plants for essential oils, etc.) and for animal production.
Maximum size/payment limit	-
Minimum size/payment limit	-
Stocking rate limit	-
Eligible crop restrictions	-
Organic management of livestock	-
Staged conversion possible	<input checked="" type="checkbox"/> No parallel cropping (except orchards), whole farm must be inspected
Part farm conversion possible	<input checked="" type="checkbox"/>
Training and/or advice provided	<input checked="" type="checkbox"/> Optional
Other restrictions	<input checked="" type="checkbox"/> Only full-time farmers, i.e. >50% of income from farming and >50% of labour time devoted to farming
Adjustments to original scheme	-

✓ = yes; - = no.

2.1.4.2 Regional variations

None

2.1.4.3 Payment rates for organic farming scheme (BEF/ha)

Year	Region	Land use/type	Conversion (2 years)	Continuing
1994-1997	All	Annual arable aid crops	7 282	4 500
1994-1997	All	Other annual crops	12 137	9 000
1994-1997	All	Vegetables	12 137	12 000
1994-1997	All	Grassland	12 137	7 000
1994-1997	All	Perennial crops (low-stemmed trees)	33 985	30 000
1994-1997	All	High-stemmed fruit trees	12 137	30 000

2.1.4.4 Support other than direct income payments as part of organic farming scheme

Advice and information	Demonstration projects: organic farming (CARAB & BLIVO)
Training and education	Demonstration projects: organic farming techniques. Two technicians of the Federal Ministry of Agriculture (DG6) are carrying out group training
Research and development	Demonstration projects: organic farming - carried out by regional research centres in co-operation with CARAB-BLIVO

2.1.5 Combinations between organic farming and other agri-environment measures

 Optional

2.1.5.1 Requirements and payment levels for combinable or competitive agri-environment measures

Measure 2,3	Main requirements	Typical payments (BEF/ha) ¹	Relationship to organic
5	Late mowing and diversification in temporary grassland	No biocides except spot treatments for thistles and docks, limits on fertiliser use, grazing and cutting dates, and seed mixtures	2 400-4 000 Combinable
6	Replacement of arable land by a grass strips or headlands	No biocides except spot treatments for nettles, thistles and docks, no fertilisers, no grazing of field margins. Approved seed mixtures. Grass mowings (after specified date) must be removed.	8 000 Combinable
7	Establish extensive headlands	Limited spot treatment with herbicides, no fertilisers, set-aside not eligible	4 000 Combinable
8	Replacement of intensive grassland or low stemmed orchards by extensive grassland strips	No biocides, fertilisers, grazing or access to motor vehicles for leisure purposes. Grass mowings (after specified date) must be removed.	8 000 Combinable
9	Preservation and maintenance of hedges and woodland strips	Indigenous species, missing sections must be replaced, restrictions on trimming periods. Payments depend on length of hedges on farm.	1 600-8 000 Combinable
10	Keeping livestock density or < = 1.4 LU/forage ha	Applies to extensive livestock farmers, min. 90% permanent grass	1 600 Not combinable
11	Preservation of endangered local species	Membership of breed society and participation in breeding programme	4 000/horse 600/sheep Combinable
12	Reduction of inputs and of the density of seeding (cereals)	No growth regulators, max. one fungicide treatment, moderate use of N fertilisers, max 200 seeds/m ² . Must be part of farm plan	3 000 Not combinable
13	Reduction of inputs and synthetic herbicides (cereals)	No herbicides except spot treatments. No grazing of field margins. Not eligible for other headland/set-aside measures.	3 000 Not combinable
14	Reduction/localisation of inputs and synthetic herbicides (maize)	No herbicide except in maize row. Mechanical cultivation between rows (min. 40 cm strip)	5 000 (max. 6 000 with 15) Not combinable

Requirements and payment levels for combinable or competitive agri-environment measures (cont.)

Measure 2,3	Main requirements	Typical payments (BEF/ha) ¹	Relationship to organic
15 Reduction of inputs and under-sowing (maize)	80% of 40 cm strip between maize rows must be covered with catch crops in September	5 000 (max. 6 000)	Not combinable
16 Green cover during winter	Cover 15/9 (sowing) to 1/2 each year. > 90% cover by 1/11. Max 50% legumes. Followed by spring crops.	3 200	Not combinable
17 Delay of mowing with limited use of inputs	No biocides. Limits on fertilisers/manures, grazing dates, conservation strips, stocking.	8 000	Combinable
18 Conservation measures on wetlands	No biocides, fertilisers or soil improvement. Limits on stocking densities, cutting dates.	1 600	Combinable
19 Conservation of traditional orchards	Limits on use of biocides. 30-100 high-stemmed trees/ha with permanent grass understorey.	4 000	Combinable
20 Planting of old varieties of fruit trees	50-100 high-stemmed trees/ha. Maintain grass understorey, appropriate management of trees	8 000	Combinable
21 Traditional crops and vegetables	Cultivate old varieties and crops – eligibility decided on case by case basis	3 200 to 10 000	Combinable

¹ Maximum payable for combinations with measures in this table: 7 200 BEF/ha for annual arable aid crops; 12 000 BEF/ha for other annual crops; 200 000 BEF + 2 000 BEF/ha for each ha over 30 per farm & per year.

² Measures 5 to 11 are horizontal and can thus be implemented over the whole territory.

³ Measures 12 to 21 are vertical measures that can only be implemented in some designated areas (ground water protection areas, natural parks, nature reserves, etc.). These measures require individual management agreement between the farmer and the administration.

2.1.6 Public expenditure and EU contribution for organic farming and other agri-environment measures (MBEF)

Scheme	Year	1995	1996	1997	1998	1999
1 Organic farming support	Budget	0	32.1	41.5	35.5	35.5
	Actual	0	44.7	35.5	na	na
	EU share	0	24.3	19.2	19.2	19.2
2 Demonstration projects: organic farming methods	Budget	0	nd	3.5	3.5	3.5
	Actual	0	3.3	3.5	na	na
	EU share	0	1.6	1.75	1.75	1.75
3 Demonstration projects: experimental fields	Budget	0	nd	62	35.8	0
	Actual	0	11.5	35.8	na	na
	EU share	0	6.2	18.6	18.6	0
4 Demonstration project: monitoring/ warning services	Budget	0	nd	11.6	10.5	3.5
	Actual	0	11.9	10.5	na	na
	EU share	0	6.2	5.5	5.5	1.75
Demonstration: Wallonie	Budget	0	nd	nd	13.2	2.8
	Actual	0	33	22.8	na	na
	EU share	0	16.5	11.5	7.4	1.6
Demonstration: Flanders	Budget	0	nd	nd	30.3	4.2
	Actual	0	8.8	0	na	na
	EU share	0	4.4	0	15.2	2.1
5-21 Wallonie agri-environment measures	Budget	0	nd	26	27.4	27.4
	Actual	0	4.0	11.3	na	na
	EU share	0	2.1	5.8	14.4	14.4
<i>Total</i>	Budget	0	nd	nd	130.1	72.8
	Actual	0	117.1	149.7	na	na
	EU share	0	61.3	77.5	68.8	38.7

EU share is 50%, 75% in Obj.1 regions.

The budget for Wallonie agri-environmental programme is planned for the whole programme without any prior sharing out according to the measures. There are two budgets: a “commitment” budget (that takes into account the agreement period of five years and thus the obligation for the financing public bodies to commit themselves for the same period) and an “order to pay” budget (yearly amount to pay). The payments for individual measures in Wallonie in 1997 were:

	Measures	MBEF
5	Late mowing and diversification in temporary grassland sowing	7.8
6-8	Headland management	0.6
9	Preservation and maintenance of hedges and woodland strips	9.6
10	Maintaining livestock density ≤ 1.4 LU/forage ha	5.1
11	Preservation of endangered local species	1.3
12-15	Reduction of inputs (cereals and maize)	0.5
16	Green cover during winter	0.5
17	Delay of mowing with limited use of inputs	0.4
18	Conservation measures in wetlands	0.06
19	Preservation of traditional orchards	0.0
20	Planting of old varieties of fruit trees	0.0
21	Traditional crops and vegetables	0.0
	<i>Total</i>	25.9

2.1.6.1 Reasons for adjustments to budget

The budget for the Wallonie agri-environment programme (measures 5 to 21) has been modified in order to take into account the growing uptake of these measures. Nevertheless, these modifications hold in the forecast budget line. The budget for organic farming is not subject to any budget adjustment.

2.2 Impact of mainstream agricultural support measures on organic farming

2.2.1 Actors

Not applicable

2.2.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Not applicable

2.2.3 Variations in mainstream CAP Reform measures implemented

All standard measures implemented except male calf processing scheme.

Other measures with potential impact on organic farming include sugar quotas (1986) and the 'Manure Decree' (MAP, 1991) which implements the Nitrate Directive 91/676 in the Flemish region.

2.2.4 Set-aside management requirements and implications for organic farming

The vegetation cover allowed on set-aside includes natural cover, grass, legumes, grass/legume mixtures, non-food oilseed rape, non-food flax other than flax for textiles, other non-food crops. Gramineous and cruciferous crops must be cut before they set seeds, while other plant species (mainly legumes) do not need to be cut. There is a list of permitted plant protection products and dates of use: before sowing, before 31st May, localised treatment and for cover destruction at the end of set-aside period, although this is of less relevance to organic producers.

The impact of the set-aside scheme can be considered to be beneficial. Farmers in conversion and existing organic farmers can combine the premium for conversion/organic farming and the set-aside premium. Furthermore, the farmer in conversion can count the set-aside in his conversion period (the set-aside area counts therefore for one year in the compulsory two year conversion).

2.2.5 Impacts of other measures on organic farming

The organic farmers have the same constraints as conventional farmers regarding the other mainstream measures. No other adverse and/or beneficial impact on converting and existing organic producers could be identified. As Belgium is quite intensive (average LU/ha is quite high), getting suckler cow quota is relatively easy. Furthermore, the average size of farms is about 19.7 ha, so most of the farms comply with small farms scheme. There was also a two year period where the administration was flexible about the permanent/temporary nature of fodder area. So the farmers could benefit from that period (1992-1994) to choose the best support regime.

2.2.6 Special provisions for organic/converting producers

No special provisions exist

2.2.7 Environmental cross-compliance measures and implications for organic producers

No cross-compliance required from organic farmers (converting or continuing)

2.2.8 Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming

No, but for the negotiation of the next period of the organic farming scheme, there is a political intention to set maximum global volumes for organic products.

2.2.9 Impact of national or regional aids on organic farming

There are two fiscal systems available to the farmers in Belgium: taxation on estimated income and taxation on effective income. Organic farming support is considered as a compensation for lower agricultural product prices and therefore is not subject to a special taxation regime, unlike the premium for the Wallonie agri-environment programme. The latter is either added to the estimated income or to the effective income. The organic farming premia are not added to the estimated income but to the effective income.

2.3 Marketing and processing schemes

2.3.1 Legislation which has provided support for market and processing

No EU, national or regional legislation has been identified through which the organic sector has received funding for marketing and processing activities. The only actions towards market development are taken within individual projects financed through the European structural funds for regional development (see section 2.4).

2.3.2 Actors

2.3.2.1 Organisations/projects which have received funding from market and processing schemes

See Section 2.4 for marketing organisations which have received funding from regional and rural development schemes.

- PROBILA - UNITRAB - a processors and retailers association
- Nature et Progrès Belgique - a consumer organisation which, among other activities, organises an organic products trade fair and runs a library on organic farming and horticulture.
- Agriculture Savoureuse is a non-governmental organisation which promotes organic products and provides assistance to marketing operations.
- Centre Interprofessionnel Maraîcher (CIM RW) provides research and extension services for vegetable producers (individuals or groups) (conventional, industrial, organic vegetables and strawberries), co-ordination of producers, processors, distributors of market gardening products
- Centre Interprofessionnel Maraîcher (CIM PDZR) provides:
 - assistance to newly established producers of vegetables and horticultural plants
 - research and extension services for market gardeners and horticulturists
 - creation of producers groups to develop the commercialisation of horticultural products.

2.4 Regional and Rural Development Schemes

2.4.1 National/regional programmes

There is no national/regional legislation under which projects/organisations have received funding for regional or rural development. Actions towards market and regional development are taken within individual projects financed through the European structural funds for regional development.

2.4.2 Organisations/projects which have received funding from regional and rural development schemes

EU structural funds for Objective 5b and Objective 1 regions:

Objective 5b:

- Laiterie biologique de la SALM: Co-operative dairy “Fromagerie biologique de la vallée de la Salm”: Development of organic cheese production, marketing and dairy hygiene (December 1993)
- Organic beef study (Ferme Mossoux): Organic beef: feasibility study of the production/processing/marketing chain for organic beef (1996)
- Groupement Viande Biologique (GVB) (under assessment): a group of producers, processors and distributors of organic meat. They have applied for Objective 5b funding for a project which started in April 1997 and runs on members fees. It aims to provide assistance to the producers (planning of beef sales/purchase) and training for producers and retailers (1997)
- BLIVO “Meetjesland” (January 1997)
- PROCLAM, “Westhoek” (January 1997)

The organic farming projects in the 5B -regions “Westhoek” and “Meetjesland” aim to increase the availability for individual advice in these regions to converting farms and also include some demonstration farms. The projects run in co-operation with BLIVO and PROCLAM were implemented in 1997.

Objective 1:

COPROBIO (organic production department of COPROSAIN):
Development and investment in agricultural product transformation and commercialisation (1996)

2.4.3 Organisations active in regional or rural development within the organic sector

The organisations responsible for the implementation of the projects in Wallonie are:

- Centre d’Economie Rurale de Marloie (CER) is the organisation responsible for the implementation of the following projects within Objective 5b programme:
 - Groupement viande biologique (GVB)
 - Laiterie biologique de la SALM
 - Organic beef (Ferme Mossoux)

- CIM is a regional organisation which provides the services in the whole Wallonie region with an emphasis on horticulture and the creation of producers groups in the Obj.5b area .
- COPROBIO (organic department of COPROSAIN)

The organisations responsible for the implementation of the projects in Flanders are:

- BLIVO for Obj. 5b region “Meetjesland”
- PROCLAM in co-operation with POVLT-Beitem and BLIVO for 5B-region “Westhoek”

2.4.4 Public expenditure (MBEF)

Project	Year	Forecast						
		1993	1994	1995	1996	1997	1998	1999
COPROBIO ¹	Budget:	-	-	-	6			
	Actual:				nd			
	EU %:				50%			
	EC Reg:				Obj.1			
GVB – Assistance to the producers ²	Budget:	-	-	-	-	3.25	4.34	5.12
	Actual:					nd		
	EU %:					18%	18%	18%
	EC Reg:					Obj 5b	Obj 5b	Obj 5b
GVB – Training of the producers/retailers ²	Budget:	-	-	-	-	2.82	3.01	3.07
	Actual:					nd		
	EU %:					45%	45%	45%
	EC Reg:					Obj 5b	Obj 5b	Obj 5b
Organic beef (Ferme Mossoux)	Budget:	-	-	-	3.69	4.12	6.25	
	Actual:				3.69	nd		
	EU %:				18%	18%	18%	
	EC Reg:				Obj 5b	Obj 5b	Obj 5b	
SC Fromagerie de la Salm	Budget:	16.13	18.11	12.41	12.33	12	9.77	
	Actual:	16.13	18.11	12.41	12.33	nd		
	EU %:	20%	10%	18%	18%	18%	18%	
	EC Reg:	Obj 5b	Obj 5b	Obj 5b	Obj 5b	Obj 5b	Obj 5b	
Total	Budget:	16.13	18.11	12.41	16.02	22.19	23.37	8.19
	Actual:	16.13	18.11	12.41	16.02	nd		
	EU %:	20%	10%	18%	27%	21%	21%	28%

¹ This figure includes support for conventional as well as organic producers and has therefore not been included in the total.

² These two projects started in April 1997, no data on actual expenditure is available.

2.5 Organic production standards, inspection and certification

2.5.1 Actors

2.5.1.1 Main bodies involved in administration, inspection and certification



¹ Competent Authority responsible for administration of EC Reg. 2092/91

² Inspection and certification

³ Administration of inspection and certification outside EC Reg. 2092/91

The state recognises only two inspection bodies: Blik and Ecocert Belgium. These private bodies carry out inspection to EC Reg. 2092/91 standards for crop production. For livestock production they also carry out inspection according to the production specifications of Biogarantie and Nature & Progrès. DG4 (directorate for the quality of raw material and crops) of the Ministry of Small Enterprises, Traders and Agriculture, is required to control 5% of the farms already inspected by Blik and Ecocert. In the near future, DG5 (directorate of animal health and animal product quality) will be responsible for controlling the legal standards for livestock production. Livestock production and production which falls outside EC Reg. 2092/91 is currently administered by Biogarantie.

2.5.1.2 Private sector bodies operating their own set of standards

In 1987, the professional association UNAB-NUBILA (National Association of Agrobiologists) and UNITRAB-PROBILA (the organisation of processors and retailers of organic products) set up a national umbrella organisation Biogarantie designed to incorporate every organic logo in Belgium under one unifying logo which symbolises that the product has been inspected. Biogarantie operates its own private but national standards.

Biogarantie groups the following associations:

- BELBIOR (Flanders) and UNAB (Wallonie) (producer organisations)
- PROBILA-UNITRAB (processors and retailers)
- VELT (Flanders) and Nature et Progrès (Wallonie) (consumer organisations)
- Blik and Ecocert Belgium (inspection and certification bodies)
- CARAB (Wallonie) and BLIVO (Flanders) (extension organisations)
- NAREDI (The professional union of diet/health food shops)

Concerning crop production, the only difference between 2092/91 and Biogarantie standards is the ban of any genetically modified products and certain standards for plants are not covered by 2092/91 such as aromatic plants.

The production specifications of Biogarantie and VELT/Nature & Progrès are more or less identical (the only difference is the slaughter age for chickens). Nature & Progrès also have an ethical charter for their producers although there is no control of the implementation of this. The Biogarantie logo is always used with an optional logo for Nature & Progrès and VELT.

2.5.2 National definition for organic farming (not EC Reg. 2092/91)

2.5.2.1 National legislation defining organic farming

DG5, the directorate for animal health and animal product quality, is currently in the process of determining national legal standards for organic animal products.

2.5.2.2 Non legal national definition of organic farming

In 1987, Biogarantie designed standards for both crop and animal production. The crop production standards have been replaced by EC Reg. 2092/91 (except for certain plant categories not covered by 2092/91). There is no recognition for the livestock standards by the federal Ministry of Agriculture except for animal products used in plant based processed foods such as eggs used in cakes.

2.5.3 Prosecutions in breach of 2092/91 legislation or any other national legislation

The only case concerns the use by the supermarket chain GB of the word “Bio” to promote its beef. Following a successful prosecution, the supermarket chain had to stop the labelling.

2.5.4 Financial support towards inspection and certification costs

None

2.5.5 Inspection and certification costs

Certification is included in the inspection fees of Blik and Ecocert as long as the producer does not use the “Biogarantie” logo. To use this logo a producer must be member of one of the following professional unions: UNAB, UNITRAB-PROBILA or BELBIOR.

Blik (BEF)

Basic fee: 5 560 plus additional costs per hectare or per animal. For example:

+335 for arable farming

+2 785 for ‘fine’ vegetables (lettuce, chicory, carrots and summer leek)

+250 for pasture

+120 per dairy cow

+30 per sheep (for milk production) +12 (for meat production)

Ecocert (BEF)

For Wallonie, the level of the additional costs depends on the agricultural region of the organic farm. The lower the region in terms of farm income, the lower are the additional costs.

Basic fee: 5 560 plus additional costs per hectare or per animal.

For example:

	Limoneuse / Campine / hennuyère	Herbagère / Sablo-limoneuse / Famennes / Fagnes	Jurassique / Haute Ardenne / Ardennes
fine vegetables (lettuce, chicory, carrots and summer leek)	2 785	2 085	1 390
Arable farming	335	250	165
Pastures and winter covering	250	190	125
All regions			
Dairy cow	120		
Sheep (milk production)	30		
Sheep (meat production)	12		

2.5.6 Public expenditure for the administration, inspection and certification under 2092/91 or any national definition

At present the Ministry of Agriculture does not provide support specifically for certification bodies or producers certifying their products. The certification/control activities of Blik/Ecocert are supported by the fees of the members, i.e. organic producers.

Administration data are not available.

2.6 Advice and extension

2.6.1 National/regional programmes

BLIVO and CARAB are both financed through the “Demonstration projects - organic farming” - implementation of the article 6.2, EC Reg. 2078/92 in 1995.

The project aims to promote the conversion to organic farming by informing farmers about the production methods which are applied in organic farming and the advantages/disadvantages associated with these methods. It includes the following measures:

The monitoring of farms experienced in organic farming and designated as demonstration centres.

The writing and dissemination of documents on these farms (technical reports, articles, etc.)

The organisation of various activities such as visits, open days, technical demonstrations, conferences, symposium, etc.)

2.6.2 General provision of extension

CIM (Centre Interprofessionnel Maraîcher) and GVB (Groupement Viande Biologique) give direct advice to producers which is included in the annual membership fee of 2 500 BEF per year.

In addition to the above, the following organisations give some information to producers or support regional groups.

- Organic producer organisation BLIVO/CARAB
- Certification body: Ecocert
- Nature & Progrès
- VAC in co-operation with BLIVO, administrative, juridical and technical information for farmers who want to convert to organic farming
- PROCLAM as promoter of the Obj 5b project on organic farming in Westhoek.

All these services are free of charge.

2.6.3 Public expenditure (MBEF)

Region/Body	Year	Forecast						
		1993	1994	1995	1996	1997	1998	99/00
BLIVO	Budget	0	0	1.75	1.75	1.75	1.75	1.75
	Actual			1.75	1.75	-	-	-
	EU %			50%	50%	50%	50%	50%
	EC Reg.			2078/92	2078/92	2078/92	2078/92	2078/92
CARAB	Budget	0	0	1.75	1.75	1.75	1.75	1.75
	Actual			1.75	1.75	-	-	-
	EU %			50%	50%	50%	50%	50%
	EC Reg.			2078/92	2078/92	2078/92	2078/92	2078/92
Nature & Progrès ¹	Budget	11.5	16.9	21.4	19.4	nd	nd	nd
	Actual	10.7	15.9	20.7	21.6			
Total ²	Budget	11,5	16,9	24,9	22,9	3,5	3,5	3,5
	Actual	10,7	15,9	24,1	25,1			
	EU %	0%	0%	7%	50%	50%	50%	50%

nd = no data available

¹ Support for Nature et Progrès covers training as well as advice and various other activities of the organisation.

² Figures for Objective 5b funding are included in Section 4.

2.7 Training and education

2.7.1 National/regional programmes

The CARAB is part of a larger organisation, CRABE, which organises training in organic farming within the framework of a programme to combat unemployment (co-financed by the European Social Funds) since 1984. Objectives: To combat unemployment with a special focus on the following categories of unemployed people: Younger than 25 years old; long termed unemployed; long termed unemployed with social handicap.

The Ministry of small enterprises, traders and agriculture (DG6 - research and development) supports a training programme for farmers about organic farming, without any co-financing, implemented in 1995. Objectives: To foster the productivity and competitiveness of plant and animal production while reducing production costs; Improve the quality and image of farm and food products and research their non-food use; Support the development of sustainable agriculture.

2.7.2 General provision of training

- Faculté des Sciences agronomiques de l'Etat de Gembloux offers a post graduate programme:
 - 1988 - 1989 : Certificat d'Etudes Spéciales en Agronomie (C.E.S.) - organic farming option,
 - 1990 until now: Diplome d'Etudes Approfondies (D.E.A.) - organic farming option.

Nature et Progrès carried out school projects and continuous education in the field of nutrition and gardening.

- VAC : specific training and education for farmers who want to convert (in co-operation with BLIVO) financed by the Flemish Government, Ministry of Agriculture, department of management and education.

2.7.3 Public expenditure (MBEF)

		Forecast						
Region/Body	Year	1993	1994	1995	1996	1997	1998	99/00
CRABE	Budget	2.50	2.91	2.68	3.42	3.42	nd	nd
	Actual	2.50	2.91	2.68	3.42	3.42		
	EU %	45%	43%	42%	33%	33%		
	EC Reg.	ESF	ESF	ESF	ESF	ESF		

nd = no data available

No figures for Faculté des Sciences agronomiques de l'Etat de Gembloux and short courses for farmers are available.

2.8 Research and development

2.8.1 National/regional programmes

Project application in one 5b region is planned.

2.8.2 General provision of research

There are currently two research projects (wheat production, horticulture) underway in the region of Flanders, supported by province Antwerpen and the Flemish government. A further three projects (beef production and cheese making, training of producers) are planned in Wallonie as part of the Objective 5b region, but the project has not been approved yet (see section 2.4). Currently there is no strategic planning of research activities.

2.8.3 Public expenditure

See section on Regional and Rural Development Schemes for expenditure on Objective 5b research projects

2.9 Future policy developments

As in many countries, Belgium is facing a situation where demand for organic products exceeds domestic supply. Due to poor public support, it is feared that foreign, well-established production and marketing initiatives will be able to meet the growing demand more successfully, ruling out existing and future Belgian organic production capacity.

In Flanders, the specific challenge is to convert generally rather intensive agricultural production, horticulture, dairy farming and almost landless pig and poultry production. These sectors are less compatible with the general principles of organic farming but their conversion can result in very important environmental benefits. Extensive production methods are not realistic without heavy income support due to the very high ground prices and the very dense, urban population.

In Wallonie, the main challenge is to build up structured marketing channels for the fast expanding extensive production of beef and dairy products (Van Boxem, BLIVO, August 1997.)

For the negotiation of the next period of organic farming scheme under 2078/92, there is a political intention to set maximum global volumes for organic products. The Ministry of Agriculture also realises that if it funds the control bodies Blik and Ecocert, it will be able to collect better data on production and therefore monitor the organic farming sector in Belgium more effectively.

2.10 Literature

Ghesquiere, P. (1992) La reconversion à l'agriculture biologique en Wallonie: aides des pouvoirs publics. CRABE, Jodoigne.

Peters, D. and P. Ghesquiere (1988) Bilan des connaissances et des applications de l'agriculture biologique et intérêt pour l'agriculture communautaire. Commission of the European Communities, Brussels.

STAR (1994) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/4841/94 (unpublished). Comité des Structures Agricoles et du Développement Rural (STAR), European Commission, Brussels. (Establishes agri-environment scheme including organic farming.)

3 CH – Switzerland

Compiled by: Otto Schmid,
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Frick.
Nic Lampkin, Carolyn Foster and Susanne Padel,
Welsh Institute of Rural Studies, University of Wales,
Aberystwyth.

3.1 Organic farming support under agri-environment programmes

3.1.1 Actors

3.1.1.1 Organisations Involved In setting up organic farming support scheme

On a national level:

- The Swiss Parliament changed agricultural support to a system with direct payments. Two categories of direct payments were introduced: Article 31a: complementary direct payments for all farmers; 31b: contributions for farmers who produce in a sustainable and animal friendly way.
- The Federal Office of Agriculture (Bundesamt für Landwirtschaft) as part of the Federal Department of Economy in Bern is responsible for the implementation of the law and regulations.

On a regional (cantonal) level: Based on parliament decisions, the regional boards of agriculture introduced conversion subsidies.

3.1.1.2 Organisations Involved In operating organic farming support scheme

The FiBL (Research institute for organic agriculture) with its inspection service and the Swiss umbrella organisation VSBLO/Bio Suisse as certifier were and still are involved as private organisations. In 1996, the Demeter and Migros-Bio organisations were also accepted by the Department of Agriculture as officially recognised certification bodies.

3.1.2 National/regional legislation

3.1.2.1 National/regional legislation which provides/provided organic farming support

National level

The organic support scheme is based on Art. 31b of the agricultural law of Switzerland (BLW, 1994). The most important legal documents (see also BLW, 1996; BLW, 1992; EVD, 1992; EVD 1991/1996) are:

EVD (Eidgenössisches Volkswirtschaftsdepartment), 1996: Verordnung über Beiträge für besondere ökologische Leistungen in der Landwirtschaft (Oeko-Beitragsverordnung, OeBV) vom 28. April 1993, Änderungen am 26. Jan. 1994, 22. Juni 1994, 15. Februar 1995, 24. Januar 1996. Eidgenössische Drucksachen- und Materialzentrale Bern.

EVD (Eidgenössisches Volkswirtschaftsdepartment), 1993: Verordnung über ergänzende Direktzahlungen in der Landwirtschaft. Eidgenössische Drucksachen- und Materialzentrale, Bern.

Cantonal/regional level

Different legislation and regulations exist on a cantonal/regional level in 5 cantons: Bern, Baselland, Grison (Graubünden), Zug, Zürich (past and current legislation). New legislation is in preparation for Canton Neuchâtel.

Regierungsrat des Kantons Zürich, 1993: Verordnung über die Beiträge an die Umstellung von Landwirtschaftsbetrieben auf biologische Wirtschaftsweise. 27. Oktober 1993. Zürich. 4 p

Landwirtschaftliches Zentrum Ebenrain Postfach, 1996: Kantonale Beiträge an die Einführung des Biolandbaus. Verordnung über den Umweltschutz (USV) Art. 29-32. Fassung vom 2. April 1996. Sissach. 4 p

Regierungsrat des Kantons Zug, 1991: Kantonsratsbeschluss betreffend Beiträge für die Umstellung auf biologischen Landbau vom 26. Sept. 1991. Amtliche Sammlung der Gesetze und Verordnungen des Kantons Zug. 23. Band, Nr. 225. Zug. 885-889

Grosser Rat des Kantons Bern, 1989: Dekret des Grossen Rates vom 14. Sept. 1998 über Beiträge für die Umstellung auf biologischen Landbau. Regierungsratsbeschluss (RRB) Nr. 4599 vom 8. Nov. 1998. Bern 316-319

Landwirtschaftsamt des Kantons Graubünden, 1997: Persönliche Mitteilung vom 11.11.1997. Chur

Conseil d'état de la république et canton de Neuchâtel, 1997: Règlement général d'exécution de la loi sur la promotion de l'agriculture du 23 juin 1997. Article 43-48. Neuchâtel. 9-10

3.1.2.2 Objectives of any national/regional legislation

National level: to promote environmentally sustainable (reduction of nitrates, phosphates, pesticides and increased biodiversity) and animal-welfare friendly production systems.

Cantonal level: to support the conversion to organic farming

2005 goals: biodiversity >5% land managed for wildlife, 1/3rd reduction in N surplus, 50% reduction in P surplus/loss to water courses, 50% reduction in chemical inputs/loss to water courses, 50% of animals kept to welfare-friendly criteria, 95% of all farms integrated or organic with comparable incomes (Gantner, 1997)

3.1.2.3 Payment levels envisaged in national/regional legislation

The payment level is set by the administration every year, based on the annual budget. Based on legislation the 31b payments levels must be of such a nature that it is economically attractive to produce in an ecologically more sustainable way. This principle remains in the current legislation.

3.1.3 Agri-environment schemes (measures) implemented

Measures ¹	Start year	Regions	Number of farms (1997)	Land area (ha) (1997)
Cantonal organic farming conversion subsidies ²		Only in cantons:	1995/96:	1995/96
	1989	Bern,	ca. 470	ca. 7 700
	1989	Baselland,	ca. 40	ca. 700
	1990	Zug,	ca. 25	ca. 400
	1992	Zürich,	ca. 110	ca. 1 800
	1992	Grison (Graubünden)	ca. 495	ca. 8 100
<i>Article 31b direct payments</i>				
1 Nutrient-poor ecosystems and flower rich hay meadows (ecologically diversified areas)	1993 (1991)	Yes	nd	(1996) 74 900
2 Extensive meadows on set-aside arable land	1993	Yes	nd	nd

Agri-environment schemes (measures) implemented (cont.)

Measures ¹	Start year	Regions	Number of farms (1997)	Land area (ha) (1997)
3.1 Extensive management of hay meadows, hedges and shrubs	1993	Yes	nd	nd
3.2 Traditional meadows	1993	Yes	nd	nd
3.3 Reestablishment of semi-natural ecosystems on fallow land	1993	Yes	nd	nd
3.4 Rehabilitation of high stem orchards	1993	Only on cantonal level (Minimum size necessary)	nd	nd
<i>Total ecological compensation area</i>				77 846
4 Integrated farming	1993	Yes	41 223	763 663
5 Organic farming	1993	Yes	4 015	56 911
6.1 Controlled free range systems	1993	Yes	nd	254 759 LU
6.2 Animal welfare-friendly housing systems	1996	Yes	nd	94 145 LU
Some additional payments for ecologically diversified areas on regional levels ² Based on the national law of nature conservation, the cantons can get subsidies to finance these measurements.	since approx. 1990	Limited to some cantons like Zürich, Schaffhausen, Aargau, Solothurn: e.g. extensive orchards, or very extensive meadows ("Trockenwiesen")	nd	nd

Sources: Hartnagel et al. (1997); LBL (1997).

nd = no data available

¹ The national programmes are on-going programmes. But the national policy measures are formulated for the period until the year 2002. The cantonal programmes are usually formulated for a period of 6-10 years.

² Payments are given to 7 different categories of ecologically diversified areas (LBL, 1997). More ecologically diversified areas (7), which can be calculated as extensive areas to fulfil the conditions for direct payments are defined (5% ecologically diversified areas is needed to get payments for organic and integrated farming). But for these areas no direct payments are paid.

All these programmes are six year programmes.

3.1.4 Details of organic farming scheme

3.1.4.1 Requirements and eligibility conditions of organic farming support scheme(s).

Farmers eligible to participate	Converting ☐ Continuing ☐ (Cantonal conversion schemes only farmers in conversion - only in 5 cantons)
Organic certification requirement	☐ by an accredited certification organisation. There are 2 inspection bodies (FiBL and IMO - VSBLO/Bio Suisse did inspections until 1994, but now the work is delegated to FiBL) and 4 recognised certification bodies (VSBLO/Bio Suisse, IMO; since 1996 Demeter and Migros-Bio, and since 1997 FiBL has also accreditation as a certification body). Until now 99.9 % of the farms were inspected by FiBL and about 95 % of the farmers certified by VSBLO/Bio Suisse.
Maximum size/payment limit	☐ There are two kinds of direct payments: for the general direct payments there is an income limit. For the ecologically oriented payments there is no maximum limit until now. But from 1998 there will be an income limit as well (around 100 000 CHF/year). The limit is still under discussion (as at March 1998)
Minimum size/payment limit	☐ 3 ha for crop production, 1.5 ha for vegetables and perennial crops. For conversion subsidies (5 cantons) the limit is also 3 ha or 1.5 ha with vegetables, fruit or vineyards
Stocking rate limit	☐ 3 (CH)LU/ha for water-protection law. VSBLO/Bio Suisse and Migros-Bio standards 2.5 LU, less in less productive areas. This figure is also fixed in the new regulation for organic agriculture for 1998. Based on this regulation, there must be a balanced nutrient budget (< 10 kg P ₂ O ₅ /ha/year surplus at farm level)
Eligible crop restrictions	-
Organic management of livestock	☐ In both relevant standards in Switzerland (VSBLO/Bio Suisse and Migros-Bio) the livestock is an integrated part of the certification. But there are still (within a time limit) two levels existing for animals products, depending if the products are sold as organic or not (detailed information provided later in a comparison). The new regulation (EVD, 1997) only has a little section about animal husbandry, saying that this aspect has also to be organic following generally recognised standards (without details).
Staged (gradual) conversion possible	☐ max. 5 years-VSBLO/Bio Suisse, Migros-Bio, and official regulation from 1998.
Part farm conversion possible	- None of the certification programmes (VSBLO/Bio Suisse, Migros-Bio, Demeter) allow a part conversion. The new national regulation from 1998 does allow a part conversion, but only in 2 cases: a) a vineyard can be converted to organic without converting the whole farm (until the year 2006); b) an orchard or vineyard (not restricted to a certain minimum size) may not be converted to organic, but at least the rules of integrated production have to be met.

Requirements and eligibility conditions of organic farming support scheme(s). (cont.)

Training and/or advice provided	<p>☐ Optional – exception:</p> <ol style="list-style-type: none"> 1 Some cantons (like Grison) with conversion subsidies require attendance at an introduction course in organic agriculture. 2. Since 1997 the VSBLO/Bio Suisse requires a new organic farm to follow a 2-day introduction course in order to be certified.
Other restrictions	<p>☐ Both organic and integrated farmers are required to have a balanced nutrient budget. In addition there are some restrictions on the rotation as in integrated production (e.g. 4 crops in the rotation, including the clover grass years). In addition: a minimum of 5% of ecologically diversified areas (7% from 1998) as a condition to get general direct payments based on 31a of the agricultural law), fulfilment of envt. law (e.g. max. 4 kg/ha copper use per year), soil protection regulation etc.</p>
Adjustments made to original scheme	<p>☐ 1994: organic farms and integrated farms have to have 5 % of the fodder land cultivated in an extensive way. This rule is additional to the rule that 5 % of the agricultural land has to be ecologically diversified. This measure was mainly due to pressure of nature conservation lobbying. Since 1993 the certification programmes have made some changes mainly with respect to livestock.</p>

☐ = yes, - = no

3.1.4.2 Regional variations

None, other than specific cantonal schemes

3.1.4.3 Payment rates for organic and integrated farming scheme (CHF/ha)

Federal scheme

Year	Region	Land type	Conversion	Continuing	Integrated
1993	All	Arable	600	600	400
1993	All	Forage/fodder	150	150	100
1993	All	Speciality crops (fruit, veg., vines)	600	600	400
1996/97	All	Arable	1 400	1 400	800
	All	Forage/fodder	530	530	430
	All	Speciality crops (fruit, veg., vines)	1 800	1 800	1 200
1993-1997	All	Whole farm if fully converted (additional to the other payments)	2 000 (1994: 1 500)	2 000 (1994: 1 500)	2 000

The direct payments for organic farms were raised from 1993 - 1996 as well as those for integrated farming for political reasons (promoting sustainable agriculture). The difference between integrated farming and organic farming is a result of the lobby work of both sides. Integrated production is also regulated with inspections. In some regions, products

from integrated farming get a premium price over conventional (0-7% for cereals, 5% for milk, 0% for fruit and vegetables), but this is lower than for organic farming. On the level of regional and direct marketing there is a growing competition between organic farmers and integrated farmers.

Previous cantonal schemes

In every canton these subsidies were a result of political pressure, payment rates vary slightly.

50 % of the payments are paid after 1 year, the rest after conversion (usually after 2 years).

Start year ¹	Region	Land type	Conversion ² (CHF/ha)	Comments
1989	Bern (BE)	Arable land	800	Minimum size of the farm: 3 ha or 1.5 ha for speciality crops.
		Leys	800	
		Meadows	300-500	One-off subsidies per farm for training, investment 5 000 CHF (3 000 for farms < 3 ha)
		Pasture	100	
		Speciality crops	3 000	
From 1989, revised in 1996	Baselland (BL)	Arable land	600	Minimum size of the farm: 3 ha or 1.5 ha for speciality crops
		Leys	300	
		Meadows	300	One-off subsidies per farm for training, investment 2 000 CHF.
		Pasture	200	
		Speciality crops	2 000	
1990	Zug (ZG)	Arable land	1 000	Minimum size of the farm: 3 ha or 1.0 ha for speciality crops
		Leys, maize	700	
		Meadows	700	One-off subsidies per farm for training, investment 5 000 CHF (3 000 for farms < 3 ha).
		Pasture	300	
		Speciality crops	6 000	
1993	Zürich (ZH)	Arable land	1 200	Minimum size needed (half a working person/year)
		Leys	700	
		Meadows	700	One-off subsidies per farm for training, investment 4 000 CHF
		Pasture	700	
		Speciality crops	4 400	

(cont.)

Start year ¹	Region	Land type	Conversion ² (CHF/ha)	Comments
1992	Grison (GR)	Not crop-related		GR pays only a farm contribution of 2 000 CHF (1998 1 000 CHF/farm)
1998, new law for agri-culture	Neuchâtel	Not crop related		.The main idea is to support regional market. a) Support of the costs of courses of 200 CHF b) Conversion subsidies can be paid on the basis of individual farm assessment.

¹ All the cantonal schemes are continuing.

² The conversion period is in almost all cases 2 years, for fruit orchards and vineyards it is possible to extend conversion during max. 5 years. During conversion the farmers get both the cantonal payments and the national payments; integrated and organic farms with > 50 ha get only 50% of the payments

The level of the cantonal conversion subsidies did not change fundamentally, except for the Grison, which has reduced the amount because more than 30 % of farms converted to organic farming.

3.1.4.4 Support other than direct income payments as part of organic farming scheme

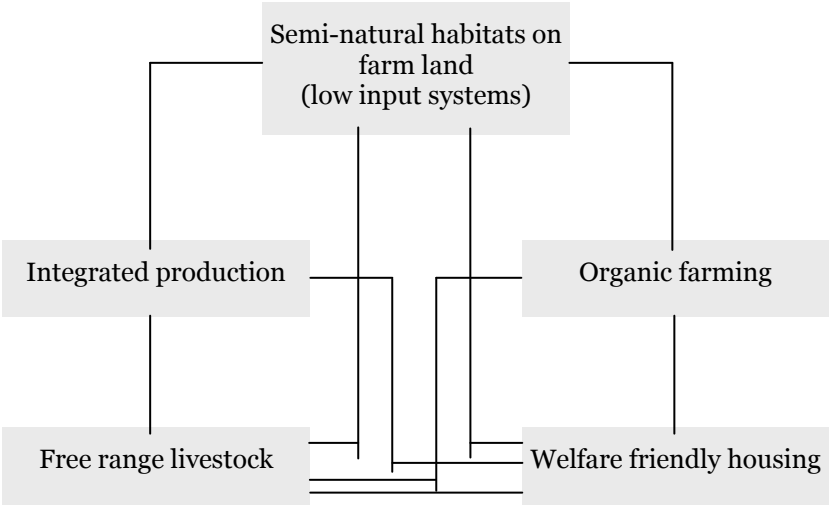
Scheme administration	Law and regulation for 1998 like the EC Reg. 2092/91, decided October 1997
Marketing and processing	Some support on a regional basis (see Section 3.4)
Certification and inspection	The national administration has set out a regulation related to the direct payments: certification/inspection bodies must be accredited
Advice and information	Only at cantonal level – the advisory work is subsidised (see Section 3.6)
Training and education	Only at cantonal level
Research and development	There is a strong involvement of the national administration in promoting organic agriculture, mainly through supporting the research institute in Frick, but also some research programmes by other national research centres

3.1.5 Combination between organic farming and other agri-environment schemes

☞ Optional (combinations are possible, e.g. with animal welfare or nature conservation programmes, but it is not possible to combine organic farming and integrated farming)

3.1.5.1 Main requirements and eligibility conditions for combinable or competitive schemes

Overview of the agro-environmental and ethological programmes based on Art. 31b



_____ The lines show which agro-environmental and ethological programmes under Art. 31b can be combined.

	Scheme	Main requirements	Typical 1996 payment levels (CHF/ha)	Relationship to organic
1	Nutrient-poor ecosystems and flower rich hay meadows (ecologically diversified areas)	Nature conservation management agreements on individual farms (Like 3.1)	450-1 200 depending on zone, higher payments in some cantons	Combinable
2	Extensive meadows on set-aside arable land	No fertilisers or pesticides. Sowing specified grass/herb seed mixtures. Cutting restrictions as 3.1	3 000 + 1 000 in water protection zones	Combinable
3.1a	Extensive management of hay meadows, hedges and shrubs	No fertilisers or pesticides except individual treatment, meadows to be used only for hay-making, cutting at least once a year, after specified date	450-1 200 depending on zone	Combinable
3.2	Traditional meadows	Only organic fertilisers, no pesticides, Cutting restrictions as 3.1	300-650 depending on zone	Combinable
3.3	Establishment of semi-natural ecosystems on fallow land	No fertilisers or pesticides. Sowing specified wildflower seed mixtures. Cutting every 2 years. Mulch stays on farm and may not be fed	3 000 (arable, foothills)	Combinable
3.4	Rehabilitation of high stem orchards	At least 1.2 m stems for stonefruits, 1.6m for others. Min 20, max 300 trees, not for fruit plantations	15/tree	Combinable
4	Integrated farming	Management to integrated farming standards, 6 years minimum	See organic farming payments table	Competitive (see text)
6.1	Controlled free range systems (including poultry from 1997)	Animal welfare friendly farming on pasture	Ruminants: 120/LU Pigs 180/LU Poultry 240/LU	Combinable
6.2	Animal welfare-friendly housing systems	Deep litter/straw yard housing systems	50% of above (6.1)	Combinable
	Some additional payments for ecologically diversified areas on regional levels (in conjunction with Federal payments)	Some Cantons pay additional money for highstem orchards (>60-80 - 300 trees) with extensive use of the grassland (e.g. 40 instead of 15 CHF/tree on national level). The same applies to some payments for very extensive meadows in some cantons	nd	Combinable

Source: Wilson et al. (1996); LBL (1996).

3.1.6 Public expenditure for organic farming and other agri-environment schemes (MCHF)

Cantonal schemes

Year	1989	1990	1991	1992	1993	1994	1995	1996
Bern	0.225	0.319	0.215	0.310	0.397	0.777	1.170	2.050
Baselland	0	0.046	0.049	0.046	0.045	0.075	0.198	0.234
Zug	0	0	0	0.031	0.075	0.069	0.061	0.159
Zürich	0	0	0	0	0.633	0.316	0.344	0.667
Grison	0	0	0	0	0.739	0.438	0.398	0.284
Total	0.225	0.365	0.264	0.387	1.889	1.675	2.171	3.394

Source: Departments of Agriculture of the above mentioned Cantons

All Cantons: Effective paid conversion subsidies: From 1989-1996: 10.37 MCHF and in the period from 1993-1996 ca. 9.129 MCHF for farms in conversion (in comparison 63 MCHF federal direct payments for all organic farms in the same period)

Article 31b schemes

	Scheme	Year	Forecast						
			1993	1994	1995	1996	1997	1998	1999
1	Arable extensification	Actual	30	40	40	39.6	45	45	nd
2.1	Ecosystems/meadows	Actual	nd	nd	nd	nd	nd	nd	nd
2.2	Ext. meadows/set-aside	Actual	3.1	5.7	8.1	12.7 (2.2%)	nd	nd	nd
3.1	Hay meadows/hedges	Actual	11.1	14.6	19.0	26.1 (4.5%)	nd	nd	nd
3.2	Traditional meadows	Actual	11.8	13.0	14.2	16.8 (2.9%)	nd	nd	nd
3.3	Fallow land	Actual	0	0.2	0.2	0.5 (-%)	nd	nd	nd
3.4	High stem orchards	Actual	19.0	20.9	33.2	35.8 (6.1%)	nd	nd	nd
4	Integrated farming	Actual	41.5	69.7	156.4	417.2 (71.2%)	nd	nd	nd
5	Organic farming	Actual	3.9	5.7	14.1	39.3 (6.7%)	50 ¹	60 ¹	70 ¹
6.1	Free range livestock	Actual	5.4	7.0	8.8	31.8 (5.4%)	nd	nd	nd
6.2	Welfare-friendly housing	Actual	0	0	0	6.1 (1.0%)	nd	nd	nd
	Other regional payments	Actual	nd	nd	nd	nd	nd	nd	nd
Art. 31b direct payments total		Actual	95.9	136.7	254.0	586.2	699	821	941

Sources: Federal Office of Agriculture (BLW, 1997)

Amounts above represent direct payments to farmers - administration and other costs are not included.

¹ Estimates by FiBL (700 – 1 000 new farms in conversion per year from 1997 to 1999, with probably a decreasing number of new farms).

3.1.6.1 Reasons for adjustments to budget

There were 2 reasons for an adjustment of the budgets:

- more organic farms converted than anticipated. In almost all cantons the budget had to be adjusted, mainly in the years 1994-1997.
- the direct payments in all programmes for sustainable agriculture were raised but the general direct payments were lowered. It was a Federal policy to increase the direct payments for sustainable forms of agriculture as a compensation for lower prices due to an adaptation to GATT/WTO and EU.

3.1.7 General comments

The Swiss Government and the Department for Agriculture are under strong pressure from groups that want to promote integrated farming by arguing that organic farming should get high direct payments as well. In the long run, when more than 95% of all farmers produce to integrated farming standards (now there are about 70 - 90 % depending on the region) it might be possible that the general direct payments under 31a of the Federal law for agriculture will be based on integrated farming and the 31b direct payments will be more orientated to organic farming, animal-welfare friendly livestock systems and nature conservation.

3.2 Impact of mainstream agricultural support measures on organic farming

3.2.1 Actors

3.2.1.1 Organisations Involved In adapting mainstream measure for organic farming

- Swiss Federal Office of Agriculture in Bern
- Swiss Union of Farmers (Schweizerischer Bauernverband, SBV)
- VKMB = Union of small and medium farmers (Vereinigung der kleineren und mittleren Bauern)
- Political parties in the Government:
 - SPS = Social democratic party (Sozialdemokratische Partei)
 - FDP = Liberal party (Freisinnige Partei)
 - CVP = Christian-social party (Christliche Volkspartei)
 - SVP = Swiss peoples party (in older times the main farmers party)
 (The influence of the green party is not that strong on a national level).

Lobbying by nature conservation organisations (like WWF Switzerland and Pro Natura) and consumer-organisations (Konsumentinnenforum and Stiftung für Konsumentenschutz) had a certain influence. In addition the big supermarket chains COOP and to a lesser extent MIGROS, also had an important influence on the national policy. One of the strongest political influences was a national referendum about the new agricultural policy in 1996, when the “green” organisations and the VKMB (small and medium farmers’ union) together with the supermarket chains agreed that environmental aspects have to be taken into account to a greater extent than previously and than was originally proposed by the government and the farmers’ union (SBV). The main organic agriculture organisations, the FiBL and the umbrella organisation VSBLO/Bio Suisse were involved in lobbying work.

3.2.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

The Swiss direct payment system consists of the following forms of direct payments (BLW, 1997):

Measures	1996 expenditure (MCHF)	%	Implemented
1. Environmental direct payments (Art. 31b)	634.6	26.4	From 1993 – see above
General direct payments for all farms (Art. 31 a) ¹	888.7	37	From 1993 – see below
2. Payments regulating production (Art. 20) ²	307.9	12.8	Pre 1993
3. Social direct payments (for children)	138.1	5.8	Pre 1993
4. Supplementary payments for mountain areas	431.3	18	Pre 1993
TOTAL	2 400.9	100	

Source: BLW (1996).

¹ Art. 31a of the 1993 agriculture law provides for direct payments for all farmers. General requirements relate to: land area, stocking rate, max income and wealth, provisions of water protection act, proposed minimum environmental requirements (EVD, 1993a, EVD 1996; BLW, 1996).

² Art. 20 provides for ongoing support under older regulations, such as support for extensive use of arable land, green fallow, payments for certain fodder crops, etc.

In 1997, a new article 18 concerning the labelling of products was introduced in relation to geographical origin, AOC indications and organic status.

3.2.3 Mainstream measures implemented

Start year	Measure	Typical payments (CHF/ha UAA)	Comments
1996 (1993)			
<i>Art. 20 payments (Produktionslenkung)</i>			
1991	Extensification cereals (parts now integrated in Art. 31b programmes)	500	On individual plots; no fungicides, insecticides, growth regulators in growing fodder crops and cereals grown for human consumption
1995	Renewable resources: energy crops, hemp (since 1997), kenaf, rape for industrial oil etc.	Fibre and oil crops 3 000 Biofuels 1 500	0.2-10 ha; max. 30 % of the agric. land, cultivation on a contract basis, no reduction in forage area.

Mainstream measures implemented (cont.)

Start year	Measure	Typical payments (CHF/ha UAA)	Comments
1996 (1993)			
1991	Annual set aside (green fallow) (parts now integrated in Art. 31b programmes)	3 000	For details, see below
<i>Art. 31a (direct payments)</i>		All direct payments are restricted to farms with > 3ha and not more than 7 employees (12 in the case of special crops) eligible). Total amount payable is reduced by 10% for every 4 000 CHF of agricultural income over 105 000 CHF	
1993	Whole farm payment	Arable zones: 3 000 (1 000)/farm Alpine foothills: 3 500 (1 500)/farm Mountain zones: 4 000 (2 000)/farm	Reduced for farms < 9ha: 3-4 ha 40% 4-6ha 60% 6-8ha 80% 8-9ha 90%
	Additional payment for livestock farms with > 5 LU and > 9ha	2 700 (2 500)/farm	
pre 1989	Area payments for up to 50 ha	Basic payment 380 (250) Livestock feed cereals 770 if > 10 ha 580 Livestock feed proteins 1 260 Grassland supplement: Arable 290 (160) Foothills 260 (160) Mountains 180-240 (160)	Permanent grassland (Heimweiden): 65% of the basic and grassland payments.
pre 1989	Suckler cow premium (<i>Kuhhalterbeiträge</i>)	Mountains: 1 300 ('95: 1 500) Other: 1 200 ('95: 1 400)/cow Twin calf supplement 200/cow	Limited to 2-15 cows. Payments fall to 200/cow with increasing numbers of cows.
<i>Supplementary direct payments for mountain areas</i>			
	Alp payments (<i>Sommerungsbeiträge</i>) for cows, beef, sheep, goats etc.	300/LU	Only in mountain and hill areas (no synthetic fertiliser, no sewage sludge)
> 30 years	Mountain livestock in steep areas	370 – 510	Only in mountain and hill regions

3.2.4 Set-aside management requirements and implications for organic farming

Only green fallows, max 1-2 years, max. 30 % of the agricultural land, restrictions concerning the animal units per farm without set-aside, max. livestock units per ha. every 4 years on the same field.

For stockless or farms with a low animal stocking rate it is interesting to introduce 'green fallow' as green manure in the rotation. There are no published studies known about the influence of 'green fallow' in organic farming.

3.2.5 Impacts of other measures on organic farming

No issues specific to Art. 31a or Art. 20 measures identified

3.2.6 Special provisions for organic/converting producers

Cereals market: Since 1991 organic farmers do not have to pay a fee of about 100 CHF/t bread cereals like wheat because they do not cause overproduction problems. (Integrated farmers and conventional farmers do not get the full price after harvest if there is a year with very high yields of wheat. This money is used for marketing and storage and denaturing.) The special provision for bread cereals favoured organic farmers to the extent of 400-500 CHF/ha.

There is political pressure to sell milk quotas only to organic and integrated farmers, after a referendum in 1995, the Swiss population did not accept that there should be unrestricted selling of milk quotas.

3.2.7 Environmental cross-compliance measures and implications for organic producers

It is part of the government policy to include cross-compliance measures in the scheme under Article 31b as well as Article 20 of the Swiss law for agriculture. Integrated standards are set to become minimum environmental requirement for direct payments from 2002.

3.2.8 Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming

Not yet

3.2.9 Impact of national or regional aids on organic farming

Subsidised credit mainly to organic farmers has been discussed on a cantonal level (e.g. in the Canton Schaffhausen); but this has not yet been implemented.

3.2.10 Impact of organic farming on public expenditure

No recent published studies - there are some studies in progress for the region of Northwest of Switzerland, where the influence of sustainable forms of land use on public expenditure is being evaluated. The findings are not yet published. An older regional study made in the Canton of Zug (Rist et al., 1989) compared the costs of conversion subsidies with the costs of re-establishing an ecological balance for the lake of Zug and with the costs caused by water pollution created by agriculture, mainly with phosphates. The calculated costs for the conversion of about 520 farmers (73 % of all farmers) of this region were estimated: 14.4 MCHF for conversion subsidies (based on the system of canton Bern) and 3.5 MCHF for the advisory service (in total 17.4 MCHF), whereas costs to regain an ecological balance of the lake by means of constructions would be much higher (20-30 MCHF, some experts estimated even 80 MCHF).

3.3 Marketing and processing schemes

3.3.1 Legislation which has provided support for market and processing

None

3.3.2 Organisations/projects which have received funding from market and processing schemes

See next section, Regional and Rural Development Schemes for funding awarded on a regional level

3.3.3 Actors: Organisations active in market development within the organic sector

The large supermarket chains have had a very significant role in developing the market for organic products in Switzerland. The COOP has been the most important promoter of the organic market since 1993 with its development programme Coop Naturaplan and in 1996 Migros set up the Migros-Bio programme to promote and sell organic products.

Other significant actors include:

- Research Institute for Organic Agriculture (FiBL) provides research, advice, information, education, inspection and has carried out some regional studies about marketing development.
- VSBLO/Bio Suisse (*Vereinigung Schweizerischer biologischer Landbau-Organisationen*), the producer umbrella organisation involved in certification and promotion.
- Demeter
- Biofarm Cooperative (promoting and marketing mainly cereal products, but also some meat and dried fruits) and the AVG-Cooperative (promoting and marketing mainly vegetables and fresh fruit to supermarkets chains and wholesalers) are the two important national marketing co-operatives uniting some 300 'Knospe' symbol holders.
- The Central Union of Swiss Milk Producers (*Zentralverband der Schweizerischen Milchproduzenten-ZVSM*) together with the main dairy regional associations of milk co-operatives (*Milchverbände*) is promoting the development of organic milk production, pushed by the demand of the supermarket chains. Part of the marketing fee which the organic milk farmers pay to the ZVSM, is given to the VSBLO/Bio Suisse for marketing activities (1995-1997 ca. 100 000 CHF per year).

3.3.4 Public expenditure

See next section.

3.3.5 General Comments

A basis for marketing development in Switzerland was that the farmers were inspected by the FiBL and certified by VSBLO/Bio Suisse. The existence of only one common label (VSBLO/Bio Suisse) until 1996 helped to develop the market.

3.4 Regional and Rural Development Schemes

3.4.1 National/regional legislation for regional or rural development

There are currently no regional or rural development schemes at a national level through which the organic sector can obtain funding. In 1998, however, the programme REGIO PLUS which is similar to the LEADER programme will come into operation.

Some smaller projects have received small amounts of regional funding from the cantons. Most of this funding is for regional marketing projects which aim to promote the regional identity of products rather than their

organic identity. Since about 1994 not more than an average of 100 000 CHF per year has been paid to marketing projects entirely based on organic agriculture.

3.4.2 Organisations active in regional or rural development within the organic sector

The VSBLO/Bio Suisse and the FiBL support some of the projects, but in most of the cases the support is given by cantonal advisors or institutions.

3.4.3 Public expenditure (MCHF)

Project	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
National level none	0	0	0	0	nd ¹		
Bern (BE) Bioemmentaler Bioservice	0	0	0.035	0.005	nd		
Zürich (ZH)	0.005	0.005	0.005	0.02	0.02		
Grisson (GR) (Graubünden)	0	0.024	0.036	0.107	nd		
Other cantons AG, SH, LU ²	0	0	0.03	0.01	nd		
Total	0.005	0.029	0.106	0.142	0.02	0.025	0.03

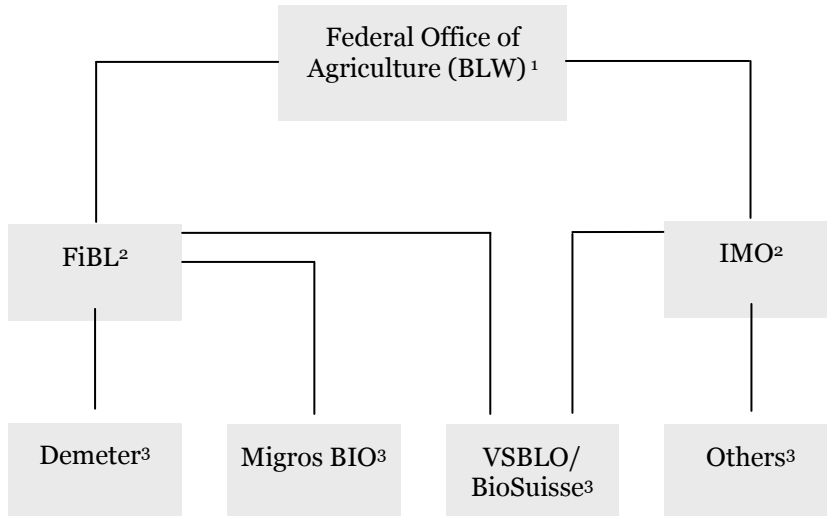
nd = no data available

¹ In 1997, there will be more money paid, but the figures are not yet available (decisions pending).

² Estimates, no published data available. From 1996, some cantons started to open funds and budgets for regional marketing projects from 1996.

3.5 Organic production standards, inspection and certification

3.5.1 Main bodies involved in administration, inspection and certification



- ¹ Administration
- ² Inspection
- ³ Certification

Since 1993 the Federal Office of Agriculture (BLW) administers inspection and certification for the direct payments to organic farms. Part of the supervision is also carried out by the cantons. The BLW carries out spot-checks on farms and evaluates the work of the inspection and certification bodies together with the Federal Accreditation Office (*Eidgenössisches Amt für Messwesen*).

VSBLO/Bio Suisse, Demeter and Migros BIO all have their own symbols for their certified products. Inspection is carried out by FiBL or IMO (*Institut für Marktökologie*). FiBL is a non-profit organisation which carries out inspections for all 3 labels above. IMO, a commercial organisation, works mainly outside Switzerland for Naturland Germany, VSBLO/Bio Suisse and private companies.

3.5.2 National definitions for organic farming

3.5.2.1 National legislation defining organic farming

1) EVD, 1993: Verordnung über Beiträge für besondere ökologische Leistungen in der Landwirtschaft (Oeko-Beitragsverordnung, OeBV), 28.04.1993, amended 1994, 1995, 1997. Bern. p 12

-BLW (*Bundesamt für Landwirtschaft*), 1993/1996: Weisungen über die Mindestanforderungen für die Anerkennung von Regeln des biologischen Landbaus. Bern. 2 p (guidelines for the implementation of the Verordnung).

In April 1993, organic agricultural standards were officially recognised on a national level, mainly based on the VSBLO/Bio Suisse umbrella standards. This regulation was necessary for the direct payments for organic farmers, which started in 1993 and aims to:

- have a legal basis for direct payments
- ensure the inspection and certification through private inspection bodies
- harmonise the standards of organic farming

2) EVD, 1997: Bio-Verordnung des Eidg. Volkswirtschaftsdepartements (Department of Economy of the Government), 22.09.97.

The 1993 regulation for direct payments (31b) did not include the labelling issue as in the EC Reg. 2092/91. This will be covered by the new state regulation of organic agriculture which is similar to 2092/91. The regulation comes into effect on 1st January 1998.

The standards laid out in this regulation are stricter than EC Reg. 2092/91 in the following areas:

- part conversion is only allowed for vineyards
- orchards can remain non-organic but they must follow the standards of integrated production.
- conversion labelling in the 1st year is possible.
- step by step conversion is possible within 5 years.
- animal husbandry: a reference is made to officially recognised rules of organic animal husbandry. The maximum part of conventional fodder is 20 % for non-ruminants and 10 % for ruminants.

3.5.2.2 Non legal national definition of organic farming

In 1980, the main organic farming organisations under the lead of the FiBL set common standards for organic agriculture for the first time. In 1982 a producer umbrella organisation was founded, the VSBLO/Bio Suisse with a common logo – ‘Knospe’ (bud). The objectives of the VSBLO/Bio Suisse standards are to:

- harmonise the standards of organic farming in Switzerland and with IFOAM;
- define minimum requirements for organic agriculture
- protect consumers from misleading labelling;
- promote the market for organic products with a common logo.

These umbrella standards are stricter than EC Regulation 2092/91 standards in the following areas:

- full farm conversion;
- livestock standards;
- copper restrictions;
- minimum percentage of ecologically diversified areas and extensive meadows and pastures;
- no synthetic ascorbic acid, no alginates in processing.

3.5.3 Financial support towards inspection and certification costs

The national government gives no support, but 50 % of the cantons give financial support of approx. 150-200 CHF per farm per year to farms which are inspected by FiBL and certified by VSBLO/Bio Suisse, Demeter or Migros Bio. This covers approximately 50% of the costs of farm inspection.

3.5.4 Average inspection and certification costs

Approximately 200-500 CHF for a mixed farm of 20-25 ha. In 1996, average costs which farmers had to pay were 383 CHF per farm. A smaller processing unit pays about 1 000-2 000 CHF. There is a licence fee for processors and traders of ca. 0.6-1 % on the products labelled with the VSBLO/Bio Suisse logo.

3.5.5 Public expenditure for the administration, inspection and certification under 2092/91 or any national definition (MCHF)

	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Administration ¹	0.02	0.03	0.05	0.1	0.1	0.15	0.15
Support to producers' costs of certification only by cantons (Estimates)	0.12	0.13	0.19	0.28 ²	0.4	0.5	0.6
Total	0.14	0.16	0.24	0.38	0.5	0.65	0.75

¹ Estimates of the manpower costs of supervision and evaluation of the inspection and certification scheme of the Federal Office for Agriculture in Organic Agriculture. The administration for the direct payments, which is mostly done by the cantons was not calculated. From 1996, the preparation of the Federal Office of Agriculture in Bern for the new regulation for organic agriculture is included (1 person).

² 1996 figure is what all the cantons actually paid towards inspection costs. The other years 1993-1995 and 1997-1998 are estimates.

3.5.6 General comments

The increase of public expenditure is due to the fact that the number of farms increased. The Federal Office of agriculture will be much more involved with the new regulation for 1998. The supervision and administration of the direct payments is mostly done by cantons.

3.6 Advice and extension

3.6.1 National/regional programmes

The advisory service of FiBL (Research Institute for Organic Agriculture) has co-ordinated extension provision at national level since 1977. The main objectives are to guarantee a qualified extension service for organic farmers and to provide adequate information for farmers and advisors.

On a regional (cantonal) level usually one advisor is responsible for the co-ordination of extension in organic agriculture. The first cantonal service was established in 1986.

3.6.2 General provision of extension

- The advisory service of FiBL has a head office and 4 regional centres in different parts of Switzerland (Eastern part, North-west part, Western part, and in the Southern Italian speaking part of Switzerland); it currently employs 12 advisors and receives financial support from the regional government.
- In almost all 24 cantons there is a full or part-time advisor for organic farming (in total approx. 30 people), often also involved in education. The costs to the farmer depend on the canton, in most cantons it is usually sufficient that the farmer applied for conversion aid to qualify. A half day or one day visit is usually free of charge, if more advice is needed the farmer pays a reduced fee of between 40-60 CHF/hour.
- There are some private organisations or consultants charging between 90-130 CHF/hour.

Besides FiBL there are two general Advisory Centres in Switzerland that support advisors and are funded by the federal government:

- LBL, Landwirtschaftliche Beratungszentrale Lindau near Zürich
- SRVA, Service Romand de Vulgarisation Agricole, in Lausanne.

Both centres have a person responsible for organic farming advice and documentation:

There is also the national Organic Farm Advisors Association (BioberaterInnen-Vereinigung), established in 1989, which organises meetings for all advisors about 2-3 times a year.

3.6.3 Public expenditure (MCHF)

	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Total extension ¹	1	1.15	1.23	1.87	2.15	2.34	2.53

¹ The figures include contributions of the regional governments to FiBL's regional advisors as well as national co-ordination, estimates of the funding for advisors employed by the regions and the federal support for the two national advisory centres.

FiBL contributed towards the development of the advisory service first at national and then at regional level from its own resources. The provision of advice has increasingly been taken over by the regions that employ their own advisors.

3.7 Training and education

3.7.1 National/regional programmes

The Federal Office of Agriculture published a manual for the agricultural school for basic courses (Lernziele für den biologischen Landbau) in 1996. The main objectives are to initiate and co-ordinate a training programme of modules in Organic Agriculture.

3.7.2 General provision of training

Almost all agricultural schools have offered a course in organic agriculture since 1996: 15-40 hours during a semester is obligatory. In addition there are optional courses with 30-40 hours per semester. No school currently offers any specific qualification in organic farming.

- Ingenieurschule Zollikofen (Agricultural college) has two optional courses (2 hours per week).
- Technical University of Zürich (ETHZ) offers three courses (6 hours per week for agro-ecology students).
- Short courses for farmers are offered by agricultural schools, regional advisory centres and the regional advisory offices of FiBL.

3.7.3 Public expenditure (MCHF)

	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Total training ¹	0.27	0.27	0.28	0.33	0.43	0.48	nd

nd = no data available

¹ Estimates for support for short courses, do not include optional and compulsory modules at schools, college and university.

3.8 Research and development

3.8.1 National/regional programmes

The Federal Office of Agriculture in Bern co-ordinates a working group which has produced an internal report about on-going projects in organic agriculture and the involvement of the different institutions (Fried et. al. 1997).

The working programme of FiBL (Research Institute for Organic Agriculture) in Frick 1996-1999 acts as a national programme. It was submitted to the Federal Office of Agriculture for agreement as a condition for the financial support of FiBL. The main objective is to develop the organic farming system on different levels:

- Soil management, plant nutrition and plant quality;
- Plant production, weed and pest control, biodiversity;
- Animal husbandry;
- Farm management, Economy and landscape;
- Advisory and training systems;
- Inspection systems.

3.8.2 General provision of research

- Research in organic agriculture is centred around FiBL, the private research institute for biological agriculture, which was established in 1974. The institute has carried out projects on a wide range of topics, aimed at producers as well as policy makers and has published an inventory of all planned research activities between 1996 and 1999. FiBL has one experimental farm at Frick (ca. 35 ha).
- In addition there are 3 federal research centres that are involved in research in organic farming. Their activities are co-ordinated by a working group.
- There are in total about 7 on-farm research projects: variety trials with apples; investigation of animal husbandry; pest and disease control. These projects are financed by the Federal Office of Agriculture as well as some private funding (like COOP).
- The ETHZ and the University of Basel are involved in research through PhD and Masters projects.
- The Federal Office of Agriculture finances pilot farm projects on a total of 40 farms (20 vegetable farms, 13 apple orchards, 7 farms with a soil monitoring). A previous pilot farms project with 25 mixed farms ran from 1993-1996.

3.8.3 Public expenditure (MCHF)

	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Projects at FiBL	1.260	1.610	2.050	2.300	2.716	3.139	3.334
Other institutions	0.850	0.850	1.090	1.480	2.040	2.150	2.540
Total research	2.110	2.460	3.140	3.780	4.756	5.289	5.874

As a result of political pressure the Federal Office of Agriculture supported the research of the FiBL on a contract basis and encouraged other research centres to take up projects in the field of organic agriculture.

FiBL has had private sponsors for its research activities, although the relative proportion has decreased. From 1974-1984 about 1/3 of their budget came from private sources, today this is reduced to approx. 10% of the total budget.

3.8.4 General comments

It is evident that the amount and the part of public funding for organic agriculture research has risen considerably in the last 10 years. This is due to a growing interest of consumers, farmers, and supermarket chains as well as the scientific community.

Compared with other countries FiBL, a private research institute, was able to maintain a strong position in terms of public research funding. Maybe one reason for this was that neither the University of Zürich nor the Federal Research Station developed a strong interest in organic agriculture until 1995.

3.9 Future policy developments

The policy in Switzerland for organic agriculture will probably develop in the following way in the next years:

Number of farms: The number of converting farms will be smaller than the years before due to the market situation: around 10 % of the farms in the year 2000 (subcontractor estimate).

Direct payments: The amount paid per ha for organic farms will not increase very much but the total amount of direct payments for organic farming will be higher due to more farms.

Conversion subsidies: Some cantons might reduce the amount of money for converting organic farms like the Canton of Grison due to financial problems. There is a new Canton (Neuchâtel) which has given support since 1998 during conversion, but this is more for farmers groups and projects.

Research: Public funding will continue to increase until the year 2000. Afterwards more research will be done by the Federal research stations and less by FiBL. The research will focus more on animal production, processing and quality aspects and less on plant production

Inspection and certification: More certification programmes and inspection bodies will compete with each other.

Advice: Most of the advice will be done by cantonal advisory services and no more by the FiBL advisory service, except some very specialised areas.

Training: In all regions regular training courses about organic agriculture over the whole country on each level will be established

3.10 Literature

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4 CZ – Czech Republic

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4.1 Organic farming support under agri-environment and extensification programmes

4.1.1 Actors

4.1.1.1 Organisations Involved In setting up organic farming support scheme

- Ministry of Agriculture
- Associations of Organic Farmers (PRO-BIO, Libera)
- Foundation for Organic Agriculture (FOA)
- Knight Horsky Foundation
- Association of Inspectors and Advisors in Organic Agriculture
- Agro-Eco Consultancy
- South Bohemian University

4.1.1.2 Organisations Involved In operating organic farming support scheme

- Ministry of Agriculture
- Associations of Organic Farmers (PRO-BIO, Libera, Naturvita, Biowa, Altervin)
- Foundation for Organic Agriculture (FOA)
- Association of Inspectors and Advisors in Organic Agriculture
- South Bohemian University
- KEZ - Brno

4.1.2 National/regional legislation

4.1.2.1 National/regional legislation which provides organic farming support

In 1992, parliament passed a Nature Protection law, No. 114/92, which prohibited the use of agro-chemicals in agriculture in nature protection areas and nature parks.

4.1.2.2 Objectives of any national/regional legislation

Not identified

4.1.2.3 Payment levels envisaged in national/regional legislation

1990 Area payments for conversion (ca. 2 000 CZK/ha)

1991 Organic farming investment grants

1992 Organic farming investment loans

The legislation did not cover payment levels; these were decided by special committees of the Ministry of Agriculture.

4.1.3 Agri-environment measures Implemented

Previous organic and integrated farming schemes

	Scheme	Start year	Regions	Number of farms	Land area (ha)
1	Organic farming conversion support	1990	All	85	13 000
2	Integrated farming support	1990	All		
3	Organic farming investment grants	1991	All		Not applic.
4	Integrated farming support	1991	All		Not applic.
5	Organic farming investment loans	1992	All	80	Not applic.
6	Integrated farming support	1992	All		Not applic.

LFA agri-environment scheme

	Scheme	Start year	Regions	Number of farms	Land area (ha)
7	Organic farming	1998	Less favoured areas	-	-
8	Grassland management	1998	Less favoured areas	-	-
9	Beef breeds	1998	Less favoured areas	-	-
10	Sheep production	1998	Less favoured areas	-	-
11	Conversion of farmland to forest	1998	Less favoured areas	-	-

4.1.4 Details of organic farming schemes

4.1.4.1 Requirements and eligibility conditions

Farmers eligible to participate	Converting ☐ previous and 1998 scheme Continuing ☐1998 scheme only
Organic certification requirement	☐ With recognised organic farming organisations
Maximum size/payment limit	-
Minimum size/payment limit	-previous schemes ☐2 ha 1998 LFA scheme
Stocking rate limit	-
Eligible crop restrictions	-
Organic management of livestock	-
Staged conversion possible	☐
Part farm conversion possible	☐
Training and/or advice provided	-
Other restrictions	-previous schemes ☐1998 scheme: no debt to government
Adjustments to original scheme	☐change from conversion support to investment grants then loans

☐ = yes, - = no

4.1.4.2 Regional variations

None

4.1.4.3 Payment rates for organic farming scheme (CZK/ ha)

Year	Region	Land use/type	Conversion	Continuing	Comments
1990	All	All	2 000	0	1990 only
1998	LFAs	All	2 000	2 000	From 1998

4.1.4.4 Support other than direct Income payments as part of organic farming scheme

Investment aids	The main focus of organic support in 1991 and 1992 was the investment grants/loans for conversion. The amounts paid varied greatly from farm to farm.
Inspection and certification	In 1993, the Ministry of Agriculture took responsibility for the control and certification system and paid a large part of the cost of it. The Ministry also asked IFOAM for accreditation of this system and the EU to add the Czech Republic to 2092/91 list of third countries. KEZ (Control of Organic Agriculture) receives government support from the Ministry of Agriculture to organise inspection of organic farms. However, the decision not to include a paragraph defining organic agriculture in the new Food law, No. 110/97, is seen as negative.
Other	Creation in 1990 of the position of Deputy Minister responsible for privatisation and organic agriculture (until 1992).

4.1.5 Combinations between organic farming and other agri-environment measures

Optional 1998 scheme (Not 1991/92 schemes)

4.1.5.1 Main requirements and payment levels for combinable or competitive agri-environment measures

Measure	Main requirements	Typical payments (CZK/ha)	Relationship to organic
2, 4, 6	Integrated farming Management of crops to standards for integrated crop production	As organic	Competitive
<i>LFA agri-environment scheme</i>			
8	Grassland management nd	nd	Combinable
9	Beef breeds nd	nd	Combinable
10	Sheep production nd	nd	Combinable
11	Conversion of farmland to forest nd	nd	Combinable

nd = no data available

4.1.6 Public expenditure and EU contribution for organic farming and other agri-environment measures (MCZK)

Scheme	Year	Forecast									
		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Organic farming (1, 3, 5)	Actual	85	40	75 loans	o	o	o	o	o	na	na
Integrated farming (2, 4, 6)	Actual	nd	nd	nd	o	o	o	o	o	na	na
LFA agri-environm. Scheme (7)	Budget	na	na	na	na	na	na	na	na	30	nd

na = not applicable, nd = no data available

4.1.6.1 Reasons for adjustments to budget

The budget for organic farming was cut in 1993 for political reasons. This helped the organic movement, as those farmers which entered only for the subsidies then left. During 1996 and 1997, PRO-BIO put political pressure on the Agrarian Chamber to restart the subsidies, and in autumn 1997, the Minister announced that organic farming would be one option in the hilly, less-favoured areas. Organic farming is included in the new subsidies for 1998.

4.2 Impact of mainstream agricultural support measures on organic farming

4.2.1 Actors

None

4.2.2 National/regional legislation

From 1991 a new subsidy policy was established with similar requirements to EU mainstream measures.

4.2.3 Mainstream measures implemented

Beef support (headage payments for suckler cows and finishing cattle)

Male calf processing scheme

Conversion of arable land to grassland (per ha subsidy)

Cutting of grassland and meadows (per ha subsidy)

4.2.4 Set-aside management requirements and implications for organic farming

Not applicable

4.2.5 Impacts of other mainstream measures on organic farming

None identified

4.2.6 Special provisions for organic/converting producers

None

4.2.7 Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming

Not applicable

4.2.8 Impact of national or regional aids on organic farming

None

4.3 Marketing and processing schemes

4.3.1 National/regional legislation which provides support for marketing and processing

There is no legislation which provides funding for marketing and processing activities. However, both the Ministry of Economy and the Ministry of Agriculture provide loans, the former to support small organic processing enterprises, and the latter to organic producers through the PGLF fund (Farming and Forestry Support Guarantee Fund). This fund includes some special sub-programs, like support for young farmers or for hilly regions.

The PGLF is available to all farmers. It provides a partial guarantee of bank loans and a subsidy for part of the bank loan interest. The amount of the loan that is guaranteed and the amount of interest that could be paid by the fund depends on a number of factors such as the age of the farmer, the location of the farm and farm type. The problem with the PGLF fund is that many organic farmers are prevented from receiving bank loans because of the unwillingness of the banking sector to invest in what they feel to be a low-profit sector.

4.3.2 Organisations active in market development within the organic sector

The FOA is the main organisation involved in providing an information service to encourage market development. Two recent activities include a project to promote organic products, 1993-1994 funded by the Dutch foundation, DOEN and the employment of a marketing manager for the distribution of organic products in Prague.

4.3.3 Public expenditure

Not applicable

4.4 Regional and Rural Development Schemes

No support programmes for regional or rural development affecting the organic sector have been identified.

4.5 Organic production standards, inspection and certification

4.5.1 Actors

4.5.1.1 Main bodies involved in administration, inspection and certification



¹ Administration and certification

² Inspection

³ Administration of state logo

The Ecology Department of the Ministry of Agriculture is responsible for administration of the whole system. A Special Committee of the Ministry of Agriculture is responsible for certification and another committee sets organic standards. The Ministry of Agriculture offers a public tender every year for control and inspection organisations and the Ministry pays part of the organisational costs of the selected organisation. KEZ is the only inspection organisation at present.

4.5.1.2 Private sector bodies operating their own set of standards

There are two organic producer organisations which set their own standards and have their own logo for their members. Founded in 1990 PRO-BIO is the larger organisation with 187 members. Its production guidelines follow the IFOAM standards. The LIBERA production guidelines follow the standards of Bioland and Demeter International.

4.5.2 National definition for organic farming

4.5.2.1 National legislation defining organic farming

A new law with production standards is currently in preparation and will be presented before the Czech parliament in 1998.

Food Law (*Zákon o potravinách*), 110/97 contains reference to organic product labelling for the first time. There is an article which prohibits using the words „eko“ or „bio“ for food which is not certified organic by the Ministry of Agriculture.

4.5.2.2 Non legal national definition of organic farming

In 1993, the Ministry of Agriculture developed Suggested Methods for Organic Agriculture (*Metodický Pokyn pro Ekologické Zemědělství*) which provided the first (non legal) definition for organic agriculture. It defines the criteria which should be followed so that agricultural products can be labelled organic with the state logo „BIO“. The standards are comparable with EC Reg.2092/91 standards for crop production and IFOAM standards for livestock.

4.5.3 Prosecutions in breach of 2092/91 legislation or any other national legislation

There have been cases where traders have been fined or subjected to other penalties by the Ministry of Agriculture for falsifying documents or using chemicals in organic agriculture, but these cases were not taken to court. The Ministry simply imposes its own restrictions or fines on the farmer or trader, such as not allowing them to trade in organic products, or increasing the conversion period.

In 1995, an official national control body (Czech Food Inspection) wanted to prosecute a conventional yoghurt producer for use of the word „bio“ (which generally refers to organic foods in Czech) on the packaging. The case was not pursued because the “Suggested methods of production“ do not have any legal basis to them.

4.5.4 Financial support towards inspection and certification costs

Producers receive financial support indirectly via the control organisations which are subsidised by the government. The amount is approximately 1 000 CZK per inspection.

4.5.5 Average inspection and certification costs (CZK)

The average inspection cost/certification costs are:

Producers: 300/year. Producers also pay for the time the inspector spends on the farm (100/hour).

Processors: 300/year

Retail outlets: There is currently no official control of shops selling organic products, but 10 of them set up a club of retailers, wherein they agree to be controlled by KEZ. The cost of this is approximately 500/year.

4.5.6 Public expenditure for administration, inspection and certification under the national definition (MCZK)

		Forecast						
	Year	1993	1994	1995	1996	1997	1998	1999
Administration	Budget			nd	nd	nd	nd	nd
	Actual							
Support of certification/inspection bodies	Budget			0.25	0.3	0.5	0.6	
	Actual			0.25	0.3	0.5		

4.5.7 General comments

Subsequent to the IFOAM evaluation report in 1995, the Czech certification system was changed. No details of specific changes have been obtained.

4.6 Advice and extension

4.6.1 National/regional programmes

None

4.6.2 General provision of extension

Extension for organic farmers has been organised by PRO-BIO for the past three years. The activities include: direct on-farm advice, where 70% is paid by government extension subsidies, and 30% directly by farmers organising regional courses for farmers (see below).

ICEA (Information Centre for Ecological Agriculture), a programme of the FOA is:

- providing information through a computer network and library for farmers as well as advisors;
- training farm advisors in aspects of conversion to organic farming, carried out with the help of some foreign funding.

4.6.3 Public expenditure (MCZK)

	Forecast						
	1993	1994	1995	1996	1997	1998	1999
Total extension ¹	0.2	0.36	0.44	0.36	0.16	nd	nd

nd = no data available

¹ The estimate does not include the public support to extension services for organic farmers, because many of the advisors are employed by the governmental extension service and also advise conventional farmers. There is no clear record of how many advisors there are and the share of their time spent with organic farming. The table includes the publication of "Bionoviny" and other support for advisory work.

The production of publications and ICEA have been supported through a private foundation from Germany (Bundstift, Stiftung Leben und Umwelt).

4.7 Training and education

4.7.1 National/regional programmes

None

4.7.2 General provision of training

In the Czech Republic the first course on organic agriculture was organised privately and taught over a two year period (1990-91) by several foreign lectures. The course did not receive any sponsorship and was fully funded by the participants.

South Bohemian University started a three-year BSc degree (Organic and Alternative Systems of Agriculture). This will be followed in 1998 by a five year course leading to an MSc qualification.

One agricultural university started an exchange programme with Sweden.

South Bohemian University is also involved in training for farmers. This started with a one-year course in 1993 and also several shorter courses (2-3 weeks in winter 1995 and 1996).

PRO-BIO organises short courses for farmers. 70% of the costs is paid from government subsidies, and 30% is paid by the PRO-BIO Association resources.

4.7.3 Public expenditure

No data available

4.7.4 General comments

Several training courses and the publication of material were supported and partly or fully funded by various foreign organisations.

The curriculum of a Dutch college was translated into Czech with the help of a Dutch organisation.

4.8 Research and development

4.8.1 National/regional programmes

None

4.8.2 General provision of research

A limited amount of research has been carried out in the Czech Republic by several universities and one private institute.

4.8.3 Public expenditure

Currently no public funding is committed to the sector. The British Embassy funded some research work.

4.9 Future policy developments

Direct payment to farmers: The Ministry of Agriculture already prepared a programme implementing payment for certified organic farmers at 2 000 CZK/ha into a system of support for farmers in hilly or less favoured areas. This was due to come into effect in January, 1998. Organic agriculture is mentioned in the agrarian policy as one of the regular supports for farmers in these less favoured areas, therefore, it is expected the support to continue.

National standards and certification: It is expected that the Czech Republic will soon be on the list of third countries according to EC Regulation 2092/91. In 1998, proposals for a new law on organic agriculture will be presented and discussed in Parliament. So it is expected that from 1999, the Czech Republic will have its own law on organic agriculture.

Market and regional development: The Czech market is growing slowly, but the whole strategy of local NGOs is focused on building up a national market as a key to the development of organic agriculture. Currently, about 60% of production is sold in the Czech Republic, and we expect that this will reach 80% in the next several years. No governmental policy support is expected in this area.

Extension and advice: It is proposed in the agriculture policy to support ecologically oriented extension and advice. But it seems that this part of the agriculture policy is not politically supported. I think that we cannot expect a special national program focused on organic agriculture extension and advice.

4.10 Literature

A study by the VUZE Research Institute for the Ministry describes in detail the content of the EC Regs. 2092/91 and 2078/92 with a special focus on organic agriculture and how to implement these regulations into Czech law.

IFOAM (1995) IFOAM accreditation report "Report on IFOAM evaluated programme with respect to the Council Regulation (EEC) no. 2092/91 and amendments".

Prazan, J. (1997) Analysis of horizontal and local EU programmes according to regulation 2078/92 and its use in the Czech Republic. VUZE, Prague.

Prazan, J. (1997) Analysis of the impact of agriculture on the environment for the purposes of defining goals of agro-environmental programs (EC Regulation 2078/92). VUZE, Prague.

Prazan, J. and Z. Novotna (1997) Environmental aspects of adaptation of Austrian agriculture after entry into Elzakker, B. v. (1995) Czech agriculture at the crossroads. Ministry of Agriculture, Czech Republic

Zidek, T. (1993) Policy regarding organic agricultural development in the Czech Republic. Rudolec conference proceedings. Avalon Foundation, Netherlands. pp 185-187.

5 DE – Germany

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Abbreviations of the regions (Bundesländer)

BB Brandenburg	BE Berlin
BW Baden-Württemberg	BY Bayern
HB Hansestadt-Bremen	HE Hessen
HH Hansestadt Hamburg	MV Mecklenburg-Vorpommern
NI Niedersachsen	NW Nordrhein-Westfalen
SH Schleswig-Holstein	SN Sachsen
SL Saarland	ST Sachsen-Anhalt
RP Rheinland-Pfalz	TH Thüringen

5.1 Organic farming support under agri-environment, extensification, regional/communal and water company programmes

5.1.1 Agri-environment programme (EC Reg. 2078/92)

5.1.1.1 Organisations Involved In setting up 2078/92 organic farming support scheme

- The Ministry of Food, Agriculture and Forestry (BMELF) developed principles for aid programmes (Förderungsgrundsätze), which were discussed with the main organic, environmental and agricultural organisations, e.g.: AGÖL, Deutscher Bauernverband (DBV), BUND, NABU, Verband der Landwirtschaftskammern, Landschaftspflegeverband, Zentralverband Gartenbau.
- Ministries for agriculture in all *Länder*
- AGÖL and all organic producer organisations

- Other advisory bodies (Naturschutzverbände, DBV, Verband der Landwirtschaftskammern)
- The resulting principles reflect the experience with the previous programmes (old extensification programme and MEKA), the political analyses and results of scientific evaluations of the extensification programmes.

5.1.1.2 Organisations Involved In operating 2078/92 organic farming support scheme

- Responsible for implementation of EC Reg. 2078 are the *Länder* agricultural ministries and administration. The Federal Ministry produced guidelines for all measures that are co-funded by the federal government (Gemeinschaftsaufgabe Agrarstruktur und Küstenschutz-GAK).
- Approximately 50 organisations are registered for inspection.
- The producer organisations and some extension bodies were consulted by the *Länder* ministries on the likely implication of programmes and participate in political debate.

5.1.1.3 Agri-environment schemes (measures) according to EC Reg. 2078/92 Implemented

Principles for support laid down by Federal Government as part of the common programme to improve agricultural structure and coastal protection, 1993 (*Förderungsgrundsätze des Bundes im Rahmen der Gemeinschaftsaufgabe Agrarstruktur und Küstenschutz, 1993*)

	Schemes/measures	Start year	Regions	Number of farms at 15/10/97	Land area (ha) at 15/10/97
1	Organic production methods	1993-1995 ²	All	8 422	229 486 Arable 117 281 Grassland 108 074 Perennial 4 131
2	Meadows and pastures	1993-1995 ¹	All	214 486	1 474 226
3	Arable crops and integrated crop production etc.	1993-1995 ¹	All (except for MV)	116 025	1 130 437
4	Reduced stocking of cattle and sheep	1993-1995 ¹	All (except for BW)	249	6 349 LU
5	Endangered breeds	1993-1995 ¹	Only in NI, NW, HE, BW, BY, SL, BB, SN, ST, TH	2 070	11 173 LU

Agri-environment schemes (measures) according to EC Reg. 2078/92 implemented (cont.)

Schemes/measures	Start year	Regions	Number of farms at 15/10/1997	Land area (ha) at 15/10/1997
6 Perennial crops and vines	1993-1995 ¹	Only in BW, BY, BB, HH, HE, NI, RP, SN, ST, TH	53 451	59 639
7 Maintenance of abandoned land	1993-1995 ¹	Only in HH, HE, SL, BB, MV, ST, SN, TH	796	3 361
8 Long-term set-aside (20 years)	1993-1995 ¹	Only in HH, NI, NW, HE, RP, BY, SN, ST, TH	796	1 476
9 Maintenance of traditional land management	1993-1995 ¹	Only in SH, HH, BW, BY, ST, TH RP, SL, SN: in viticulture	2 903	27 426
10 Nature conservation areas	1993-1995 ¹	All	27 180	82 806
11 Demonstration projects	1993-1995 ¹	Only in SH, NI, NW, HE, RP, BY, BB, SN, ST, TH	45	na
12 Training projects	1993-1995 ¹	Only in HH, NI, HB, NW, HE, RP, SL, BY, BB, SN, ST, SH	1 216	na
13 Basic support	1993-1995 ¹	Only BY and SN	131 584	3 446 200
Basic support excl. double counting				2 549 103
Total excluding double counting of basic support area			376 172	5 509 111

Source: Uptake data (1997 = provisional) Federal Ministry of Agriculture.

¹ Year started depends on *Bundesland* - 1993: BY, BW, RP, HE, TH; 1993/94: others, except 1995: MV. Specific programmes (e.g. habitat schemes) were implemented later.

² Year started organic farming schemes - 1993: HE, SN, RP, BY; 1994: others, except 1995: MV

5.1.1.4 Requirements and eligibility conditions of organic farming scheme (EC Reg. 2078/92)

Farmers eligible to participate	Converting ☑ Continuing ☑ (In SH only converting farmers were supported until now, a new scheme has been approved and will be implemented as from May 1998, in combination with a marketing fund).
Organic certification requirement	☑ In most <i>Länder</i> (SL, ST, SH, BE, MV, BB, BW, SN, TH but not NS although possibly from 1999), certification according to 2092/91 is required. SH: additionally AGÖL certification required for livestock HH, NW, MV, SN: AGÖL certification required (+ AGÖL membership). RP: normally AGÖL, 2092/91 exceptions possible.
Max. size/payment limit	☑ Only in RP, SL (35 000 DEM/farm); BW 40 000 DEM/farm and/or 550 DEM/ha.
Min. size/payment limit	☑ Normally 300 DEM/farm (variations: SN 200, HE/NW 500, NS (1997) 1 000, TH 700, BY 400, BW 100).
Stocking rate limit	☑ 2.0 LU/farm ha in all except MV (1.4 LU/forage ha)
Eligible crop restrictions	☑ No payments for set-aside area. RP no payments for fodder maize.
Organic management of livestock	☑ In those <i>Länder</i> which require AGÖL certification, organic management of livestock is automatically required. In the others, there are special livestock management requirements
Staged conversion	-
Part farm conversion	-
Training and/or advice provided	- Not specifically as part of 2078/92
Other restrictions	☑ All <i>Länder</i> : prohibition on spreading of sewage sludge and conversion of permanent grassland to arable land. SN: Prescriptions concerning rotations (at least 3 course), production of site-appropriate varieties, restrictions on slurry applications and storage and silage making. Also for vines, fruit and vegetables: prohibition on slurry application and requirement to keep field records. TH: requirement to keep field records
Adjustments to original scheme	☑ No details

Source: Plankl (1996b), Nieberg et al. (1999)

☑ = yes, - = no

5.1.1.5 Regional variations of organic farming scheme (EC Reg. 2078/92)

Yes – see following tables.

5.1.1.6 Payment rates for organic farming scheme (EC Reg. 2078/92)

Year	Region	Land type	Conversion (5 years)	Continuing	Comments
1996	Federal guidelines	Arable, grassland	250	200	
		Perennial crops	1 200	1 000	
1996	Schleswig- Holstein	Arable, grassland	250	Modulated payments Size(ha) <50/ 50-75/ 75- 100	Support for continuing organic is planned for 1998. Farmers have to join a marketing fund to qualify for payment.
		Perennial crops	300	240/ 180/ 120	
1998		Arable, grassland	1 440	1 200/ 900/ 600	
		Perennial crops			
1996	Hamburg	Arable, grassland	300 plus 300*	240	*supplement in first 2 years (max 30 000 DEM/farm)
		Perennial crops	1 400 + 1 400*	1 180	
Rates shown apply from 1.1.97. Forage area receives no payment if B2.1 premium paid					
1996	Nieder- sachsen	Arable, grassland	300	240	
		Perennial crops	1 400	1 200	
1996	Bremen	Arable, grassland perennial crops	250	250	
1996	Nordrhein -Westfalen	Arable, grassland	400	300	Rates shown apply from 7.5.97
		Perennial crops	1 900	1 400	
		Vegetables	1 000	500	
1996	Hessen	Arable, grassland	300	240	Rates from 1996. From 1999, arable/grassland increased: conversion 450, continuing 350
		Perennial crops	1 400	1 200	
		Steep vineyards	2 500		
1996	Rheinland -Pfalz	Arable, grassland	For first 2 years: Scheme 1: 450 Scheme 2: 500	Scheme 1: 350 Scheme 2: 400 organic, 500 nature cons.	scheme 2: at least 5% (max 20 %) of area has to used for nature conservation purposes

Germany (DE)

Payment rates for 2078/92 organic farming scheme (DEM/ha) (cont.)

Year	Region	Land type	Conversion (5 years)	Continuing	Comments
1996	Rheinland-Pfalz	Orchards	For first 3 years: 1 400	1 200	
		Vineyards (on steep slopes)	1 300 (2 100)	1 100 (2 000)	
1996	Baden-Württemberg	Arable, grassland	260 1 200	200 1 000	MEKA animal welfare standards
		Perennial crops			
1996	Bayern	Arable	1.5-2.0 LU:300 < 1.5 LU: 400	1.5-2.0 LU: 300 < 1.5 LU: 400	Plus 80 DM/ha on up to 10 ha for inspection costs. Payments depend on stocking rates per ha as indicated.
		Grassland	1.5-2.0 LU:250 < 1.5 LU: 300	1.5-2.0 LU: 250 < 1.5 LU: 300	
1998		Perennial crops, vegetables	1 000	1 000	changed rates as of 1.1.98 Max. 50 ha or 24 000 DEM/farm
		Arable, grassland	450	450	
1996	Saarland	Arable, grassland	For first 2 years: 300 1 200	240 800	
		Perennial crops			
1996	Berlin	Arable, grassland	300 1 200	255 1 020	
		Perennial crops			
1996	Brandenburg	Arable, grassland	300 1 200	240 1 000	No new entrants due to budget restrictions
		Perennial crops			
1996	Mecklenburg-Vorpommern	Arable, grassland	300 1 200	300 1 200	Arable land converted to grassland: 720 Initial requirement to convert 3 ha
		Perennial crops			
1997		Arable, grassland	Years 1/2/3/4/5: 250/225/200/ 175/150	Years 1/2/3/4/5: 200/180/160/ 140/120	arable to grass no longer required.
		Perennial crops	1 200/1 080/ 960/840/720	1 000/900/800/ 700/600	

Payment rates for 2078/92 organic farming scheme (DEM/ha) (cont.)

Year	Region	Land type	Conversion (5 years)	Continuing	Comments
1996	Sachsen	Arable	For first 2 years: 550	450	No specific payments for grassland, but other schemes: extensive pasture 260 grass ~ 80 max 1.2 LU/ha
		Vegetables	800	700	
		Orchards, vineyards	For first 3 years: 1 500	1 300	
1996	Sachsen-Anhalt	Arable, grassland	300	240	
		Perennial crops	1 400	1 200	
1996	Thüringen	Arable	300	300	
		Grassland and ext. orchards	350	350	
		Perennial crops	1 200	1 200	

Source: Plankl (1996b), Nieberg et al. (1999)

5.1.1.7 Adjustments to the rates of payment since scheme was originally implemented (EC Reg. 2078/92)

NW: Mid 1996 - significant increase in premia for organic farming (conversion of arable and grassland from 300 to 400 DEM/ha, vegetables from 300 to 1 000 DEM/ha, perennial crops from 1 440 to 1 900 DEM/ha. Similarly large increase for continuing organic farming. Reasons for increases:

- Lower uptake than planned (resources not fully used);
- Higher costs of conversion for vegetable production (previously supported as arable crops);
- Increasing demand should be met from within the region, according to the Ministry.

RP: Reduction of premia in 1995 by 100 DEM/ha, as too many applications for agri-environment programmes in 1993/1994.

BW: Reduction in 1996, as previously supported according to the guidelines of the old extensification scheme.

NS and BB: Reduction of support for continuation. Reason lies in changes in the Federal framework, which introduced a differentiation in the levels of payments for conversion and continuation.

HE: Reduction in rates of payment over years to make its programme compatible with EU- and national guidelines for EU- and national co-financing

5.1.1.8 Combination between organic farming and other agri-environment schemes

Optional

5.1.1.9 Main requirements and eligibility conditions for combinable and competitive schemes (EC Reg. 2078/92)

	Measures	Main requirements	Typical payments ¹ (D EM/ha)	Relationship to organic
2	Meadows and pastures	Extensive grassland use (input restrictions), preservation of specific grassland types, white-stork programmes and conversion of arable land to permanent grassland	150-450	general schemes not combinable, only specific nature conservation schemes are sometimes either combinable (additional) or combinable (only higher premia paid)
3	Arable crops	Uncultivated field margins, restrictions on agro-chemical inputs, less intensive crop rotations, integrated and zero chemical farming systems	150-450	not combinable, except for: Field margins (only higher premium is paid)
4	Reduced stocking of cattle and sheep	Reduction of stocking rates outside context of beef extensification programme. Payments per LU reduced. Restrictions on fertiliser and pesticide inputs.	450/LU	not combinable
5	Endangered breeds	Membership of breed society and participation in breeding programme	35-300, depending on breed	Combinable
6	Perennial crops and vines	Extensive production methods, allowances for steep vineyards	500-900	not combinable (some <i>Länder</i> have additional payments for organic steep vineyards)
7	Upkeep of abandoned land	Various measures relating to farmland and woodland - premiums graded according to effort and expense involved	150-400	not combinable
8	20 year set-aside	<i>Länder</i> measures include 'ecological' set-aside - requirements vary in relation to local environment and conservation needs	780-1 200	Combinable, only higher premium is paid
9	Traditional land management	Measures aimed primarily at particular form of agriculture possibly typifying a certain region, for example herding of livestock in alpine pastures in BY.	200-800	relationship to organic varies according to measure and <i>Bundesland</i>

Main requirements and eligibility conditions for combinable and competitive schemes (EC Reg. 2078/92) (cont.)

	Measures	Main requirements	Typical payments ⁴ (DEM/ha)	Relationship to organic
10	Nature conservation	Measures for biotope conservation or development in areas of special natural interest, including roadsides, field margins, lakes, ponds and river banks		specific nature conservation schemes are sometimes either combinable (additional) or combinable (only higher premia paid)
12	Basic support	Some <i>Länder</i> provide basic payments to preserve land management or conserve a richly diversified landscape.	40-80	combinable (additional)

Source: Plankl (1996b), Nieberg et al. (1999)

⁴TH: Payments for these schemes are reduced when combined with organic farming: Maintenance of biotope with extensive grazing (additional payment is about 50-100 DEM/ha); Maintenance of biotopes with extensive fruit production (additional payments of about 50-800 DEM/ha).

ST: Conversion of arable area to extensive pasture (reduced additional payments)

NI: Additional payments: environmental manure spreading; Higher rate applies in case of combination: conversion of arable land to pasture, field margins, voluntary conservation agreements, hill and upland grazing, stork programme.

BY: Special management agreements for the protection of natural resources and landscape

HE: Only supporting organic farming now.

5.1.1.10 General comments

It is to be expected that the programmes will be modified again in the future due firstly to budget restrictions/deficits and secondly due to government changes in the *Länder* parliaments following the elections.

5.1.2 Extensification programme (EC Reg. 4115/88)

The programme represented the first large scale support programme for organic farming in the European Union. It has been analysed in detail by Schulze-Pals (1994) and on a more limited basis by Köller (1995) and Kutsch and Lettmann (1995).

5.1.2.1 Legislation which provided organic farming support (EC Reg. 4115/88)

Grundsätze für die Förderung der Extensivierung der landwirtschaftlichen Erzeugung' (Principles for support of extensification of agricultural production). In: Bundesregierung (1990) Sonderrahmenplan 1988 bis 1993 der Gemeinschaftsaufgabe Verbesserung der Agrarstruktur und des Küstenschutzes (Drucksache / Deutscher Bundestag; 11/7717). Deutscher Bundestag; Bonn.

5.1.2.2 Objectives of legislation (EC Reg. 4115/88)

Adapting agricultural production to market conditions through the reduction in quantity (extensification) of surplus production while considering the needs of the environment and nature conservation, planning and the demand for agricultural products.

5.1.2.3 Payment levels envisaged in national/regional legislation (EC Reg. 4115/88)

According to Federal guidelines:

Arable land with crops in surplus (cereals, oilseed rape, sugar beet, sunflowers, peas, beans) and vegetables (cauliflower, tomatoes only):	425 DEM/ha
Perennial crops (vines, apples, pears, peaches):	1 416 DEM/ha
Other area except set aside:	300 DEM/ha

The base for the calculation of the payment is the average area for these crops in the 3 years before the extensification.

5.1.2.4 Measures Implemented (EC Reg. 4115/88)

Schemes/measures	Start year	Regions	Number of farms 1996	Land area (ha) 1996
<i>Production methods</i>				
Alternative (organic) farming	1989/90	All	7 596	319 485
Cereals without chemical inputs (300 DEM/ha)	1989/90	All except BE, HB, HH, MV, SL	nd	29 019
Beef production (300 DEM/LU)	1989/90	All except BE, HH, MV, NI, SL, SH	nd	22 445 LU
Fruit production (1 416 DEM/ha)	1989/90	BW, BB, NW, ST, TH.	nd	1 638
<i>Quantitative methods</i>				
Crops (up to 510 DEM/ha)	1989/90	BE, NW, TH	nd	nd
Beef (400 DEM/LU red.) & Sheep (300 DEM/LU)	1989/90	BE, BW, BY, NI, NW, RP, SN, ST, TH	nd	55 983 LU
Perennial crops, wine (1 204-1 416 DEM/ha)	1989/90	BW, BY, NI, RP, ST	nd	6 784

Source: German Federal Ministry of Agriculture

5.1.2.5 Requirements and eligibility conditions of organic farming schemes (EC Reg. 4115/88)

Farmers eligible to participate	Converting <input type="checkbox"/> Continuing -
Organic certification requirement	<input type="checkbox"/> only in SH, HH, HB, BE, BB, MV (all AGÖL or specified AGÖL organisations) – support guidelines generally similar to organic standards
Stocking rate limit	<input type="checkbox"/> 2.0 LU/farm ha
Eligible crop restrictions	<input type="checkbox"/> support only for specified crops, payments depend on historic area for specific crop. If crop not specified, payment rate is like ‘other areas’
Organic livestock management	<input type="checkbox"/> scheme had specific livestock management rules which were broadly equivalent to organic.
Staged conversion	-
Part farm conversion	-
Training and/or advice provided	<input type="checkbox"/> financial support for training
Other restrictions	<input type="checkbox"/> no conversion of permanent grassland to arable land
Adjustments to original scheme	-

= yes, - = no

5.1.2.6 Payment rates for organic farming schemes (DEM/ha) (EC Reg. 4115/88)

Year	Region	Land type	Conversion (5 years)	Comments
1992	SH, HH, NI, HB, NW, HE, RP, SL, BB, TH	Arable, vegetable (with crops in surplus)	510	HB: perennial crops as other crops
		Perennial crops	1 416	
		Other agric. area	360	
1992	BW, BE, MV, ST	Arable, vegetable (with crops in surplus)	425	
		Perennial crops	1 416	
		Other agric. area	300	
1992	BY, SN	Arable, vegetable (with crops in surplus)	500	BY: perennial crops as other crops
		Perennial crops	1 416	
		Other agric. area	350	

Following the introduction of the extensification programme, the *Länder* were empowered to increase the payments by up to 20% from their own resources - some *Länder* made use of this. The payment levels specified in the Federal guidelines remained unchanged.

5.1.3 Other support schemes

5.1.3.1 Regional (*Länder*) support schemes

A number of *Länder* support schemes have been developed outside the framework of national or EU legislation, and often prior to such legislation or as supplementary schemes. Some examples are summarised in this section. Market and regional development support is covered in sections 5.3 and 5.4.

- Hamburg supports the conversion of state farms to organic farming and the marketing of organic produce.
- Sachsen aims to achieve 10% of its agriculture managed organically through support for marketing and certification initiatives.
- Baden-Württemberg provides support for certification costs (max 400 DEM/farm) from 1993/4.
- Hessen provides additional support through its regional development programme.
- Niedersachsen used EC Reg. 2328/91 (now 950/97) for several specific support programmes for organic farming and animal welfare friendly systems, with a high relative share of this support going to organic farms. Expenditure: actual 1996: 30 000 DEM, budget 1997 and 1998: 25 000 DEM/year. Niedersachsen also supported the conversion of state-owned farms (*Domäne*) in 1990/91 (no EU-contribution): Expenditure: actual 1995: 80 000 DEM, 1996: 40 000 DEM; budget 1997 and 1998 40 000 DEM/year
- Saarland introduced a pioneering organic support scheme in 1987 (Guidelines of the Saarland Ministry of Trade for special improvement in nature conservation and environmental protection in agriculture *Richtlinien des Ministers für Wirtschaft zur Förderung besonderer Leistungen der Landwirtschaft für den Natur- und Umweltschutz*, 30.4.1987. Aims to support farmers in achieving nature and environmental protection benefits in addition to normal agriculture (from 1987). The scheme supported converting farms only, requiring certification by an IFOAM recognised body. The direct payments were intended to compensate income foregone and were differentiated according to family status. Families with children could qualify for up to a total of 5 000, 3 000, and 2 000 DEM in years 1, 2 and 3 respectively. Single adults or families with no children qualified for reduced payments each year of 4 000, 2 000, and 1 000 DEM. Both groups were subject to a maximum of 50% of estimated income losses. The payments were not combinable with other (environmental) schemes in first two years, but in final year they could be combined up to a maximum of 3 000 DEM. The scheme also provided financial support for training courses (up to 300 DEM) and replacement labour while attending training courses (up to 500 DEM).

5.1.3.2 Communal support schemes

At communal level, a number of local authorities and voluntary groups have developed their own support schemes (Volkgenannt, 1991; Thomas *et al.*, 1995). Hannover, for example, provides support for organic farming as part of broader 'extensification of agriculture in the city area' scheme. Krefeld provides support for training, investments in marketing, producer groups. Köln provides support for regional marketing initiatives. Freiburg provides a wide ranging support programme (Heimer, 1996).

One example is the city of Korntal-München. The scheme, entitled '*Förderung der Umstellung von landwirtschaftlichen Familienbetrieben und Gärtnereien auf biologische Anbauweise*' from 30.01.1990, revised 19.09.91, provides support for family farms and horticultural holdings for conversion to organic production in order to reduce the negative environmental impacts of agriculture (from 1990). Certification by recognised organic organisation required. Only 1 farm with 5 ha has taken up the scheme, in part because of emphasis on sugar beet production in region. Payment levels are arable 400 DEM/ha, other land 200 DEM/ha, field vegetables 4 000 DEM/ha, protected crops 8 000 DEM/ha. Maximum payments per farm: 5 000 DEM (agriculture), 8 000 DEM (horticulture).

Further details in Thomas *et al.*, 1995. Reasons why the success of this and other schemes has been variable are analysed by Heimer (1996) and Thomas *et al.*, (1995).

5.1.3.3 Water company support schemes

Individual schemes operated by water companies involving agreements between companies and organic farms.

Objective is reduction of nitrate and pesticide contamination of groundwater through supporting organic farming.

30 water companies provided support of some kind in 1996, examples are given in AGÖL and BUND (1997) and are summarised below. The water companies which operate schemes have chosen to do so as it represents a cheaper route to addressing objectives than land purchase, although some concerns remain about potential nitrate leaching risk of some aspects of organic farmers and difficulties achieving 100% conversion (Wismeth and Neuerburg, 1997). General recognition of the need to support marketing and advice as well as conversion support, partly in order to reduce need for payments in long term (Hermanowksi, 1997).

Where support payments are made, generally both converting and continuing farms are supported, certification by a recognised organisation is required, stocking rates are limited to 1.5-2.0 LU/ha. Additional restrictions on cropping and management practices vary between companies, but are aimed at minimising nitrate leaching risk – lower stocking rates, no ploughing-in of grassland, restrictions on manure spreading times, storage of manures only on hard areas etc. The water company schemes can be combined with other programmes, but

the payment per hectare is then reduced by the amount that is paid under 2078/92 or other programmes.

1. Stadtwerke Augsburg (water catchment area) 10 ha in 1996. Support includes: marketing and processing (marketing fund: years 1/2: 450 DEM/ha; years 3/4: 100 DEM/ha; years 5/6: 50 DEM/ha), advice and information, promotion and public relations, direct payments (payments on agricultural land years 1/2: 450 DEM/ha; years 3/4: 350 DEM/ha; years 5/6: 250 DEM/ha).
2. Dortmunder Stadtwerke (water catchment area, own land only) 200 ha in 1996. Support includes: research and development, preferential letting of company's own land,
3. Stadtwerke Göttingen, from 1996. Support includes: marketing and processing, advice and information, research and development, promotion and public relations,
4. Kommunale Wasserwerke Leipzig (Raum Leipzig) 1 300 ha in 1996, support payments for conversion only (payments on agricultural land: 280 DEM/ha, previously 491 DEM/ha, reduced following implementation of the Sachsen *Schutzgebietsausgleichsverordnung*) (payments for continuing organic farming planned). Requirements: certification by Gää (AGÖL), sugar beet and oilseed rape production prohibited. Other support includes: training, marketing and processing, research and development, promotion and public relations, preferential letting of company's own land. Expenditure 2 MDEM since 1992.
5. Stadtwerke München (water catchment area and surroundings) from 1992, 94 farms, 2 200 ha in 1996. Support includes: marketing and processing, promotion and public relations, direct payments (500 DEM/ha for 6 years on agricultural land, reduced to 350 DEM/ha if animal welfare sensitive management not implemented), inspection costs covered.
6. Oldenburgisch-Ostfrisischer Wasserverband, pilot project (water catchment area) 240 ha in 1996. Support includes (from 1997): marketing and processing, advice and information, demonstration farms, research and development, promotion and public relations,
7. Stadtwerke Osnabrück, from ca. 1992 (water catchment area) 54 ha in 1996. Support includes: promotion and public relations, preferential letting of company's own land,
8. REWAG (Regensburg) (water catchment area) 39 ha in 1996. Support includes: marketing and processing, advice and information, preferential letting of company's own land,
9. Interessengemeinschaft der Wasserversorgungsunternehmen Weser (River Weser). Support includes: marketing and processing, research and development, promotion and public relations,
10. Zweckverband Zornedinger Gruppe (Südosten Münchens) (water catchment area) 5 farms, 100 ha in 1996. Support includes: direct payments (500-650 DEM/ha on agricultural land).

5.1.4 Public expenditure and EU contribution for organic farming and other agri-environment schemes (MDEM)

4115/88 measures (MDEM)

Scheme	Year	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98
Avoidance of artificial inputs (organic scheme)	Actual (estimated)	15.0	26.4	88.9	136.6	138.6	128.1	115.0	nd	0
Extensification programme total	Actual	24.3	46.5	129.6	211.7	208.6	183.1	166.4	nd	0

Source: German Federal Ministry of Agriculture. Organic farming estimates: FAL, Braunschweig. Budgets not available.

EU share 25% (Länder 22.5%, Bund 52.5%) except where Länder have increased payments from own resources.

2078/92 measures (MDEM)

	Measures group	Year	92/93	93/94	94/95	95/96	96/97	97/98
1	Organic production	Budget	nd	30.5	34.7	45.0	53.7	57.1
		Actual (FAL)	nd	24.8	39.3	49.6	nd	na
		Actual (BML)	nd	nd	nd	35.4	45.7	na
		EU share	nd	nd	nd	18.0	24.0	na
2	Meadows and pastures	Actual (BML)	nd	nd	nd	267.1	291.9	nd
		EU share	nd	nd	nd	160.0	170.6	nd
3	Arable crops	Actual (BML)	nd	nd	nd	186.7	227.7	nd
		EU share	nd	nd	nd	109.4	131.7	nd
4	Reduced stocking of cattle/sheep	Actual (BML)	nd	nd	nd	2.0	2.6	nd
		EU share	nd	nd	nd	1.0	1.3	nd
5	Endangered breeds	Actual (BML)	nd	nd	nd	1.8	1.9	nd
		EU share	nd	nd	nd	1.1	1.1	nd

Germany (DE)

2078/92 measures (MDEM) (cont.)

	Measures group	Year	92/93	93/94	94/95	95/96	96/97	97/98
6	Perennial crops and vines	Actual (BML)	nd	nd	nd	46.3	40.0	nd
		EU share	nd	nd	nd	25.9	22.8	nd
7	Maintenance of abandoned land	Actual (BML)	nd	nd	nd	1.2	0.8	nd
		EU share	nd	nd	nd	0.7	0.5	nd
8	20-year set-aside	Actual (BML)	nd	nd	nd	1.0	1.0	nd
		EU share	nd	nd	nd	0.6	0.7	nd
9	Traditional land management	Actual (BML)	nd	nd	nd	3.2	3.8	nd
		EU share	nd	nd	nd	1.6	1.9	nd
10	Nature conservation	Actual (BML)	nd	nd	nd	8.3	9.8	nd
		EU share	nd	nd	nd	5.5	6.2	nd
11	Demonstration projects	Actual (BML)	nd	nd	nd	2.5	2.5	nd
		EU share	nd	nd	nd	1.5	1.4	nd
12	Training projects	Actual (BML)	nd	nd	nd	1.5	3.0	nd
		EU share	nd	nd	nd	1.1	2.1	nd
13	Basic support	Actual (BML)	nd	nd	nd	103.2	136.5	nd
		EU share	nd	nd	nd	51.6	68.2	nd
Total 2078/92		Actual (BML)	nd	nd	nd	660.3	767.2	nd
		EU share	nd	nd	nd	378.0	432.5	nd
		Actual (FAL)	nd	417	705	760	nd	nd

Sources: Actual (BML) and EU share: 2078/92 statistical reporting by member state to European Commission. (1995/6 = mid year estimate of situation at 15/10/96; 1996/7 = actual situation at 15/10/97)

na = not applicable, nd = no data available

Actual (FAL): budget for organic farming: estimates for Germany (HE and MV not included as no data available);

2078/92 co-financing arrangements

		Old Länder	New (Obj. 1) Länder
EU (FEOGA)		50%	75%
Payments within federal framework (GAK)	Bund	30%	15%
	Länder	20%	10%
Payments outside federal framework	Bund	0%	0%
	Länder	50%	25%

Organic farming scheme - 1996 Länder support data (MDEM)

Land	<i>Organic (extensif.)¹ 1995/96</i>	Organic (2078/92) 1996	Agri-environment (2078/92) total 1993-1996	EU share of (2078/92) total 1993-1996	EU % (2078/92)
Schleswig-Holstein	1.336	(1995) 0.125	14.153	5.650	40%
Hamburg	0.044	0.337	4.784	1.890	40%
Niedersachsen	4.519	4.750	63.643	16.272	26%
Bremen	0.104	na	0.474	0.240	51%
Nordrhein-Westfalen	2.855	3.165	15.736	7.460	47%
Hessen	21.229	6.818	109.503	54.350	50%
Rheinland-Pfalz	0.427	2.910	69.757	34.860	50%
Baden-Württemberg	6.123	8.170	520.000	215.390	41%
Saarland	0.870	0.066	12.366	6.120	49%
Bayern	15.994	20.200	762.600	366.700	48%
Berlin	0	0.008	0.044	0.022	50%
Mecklenburg-Vorpommern	25.593	1.700	119.214	89.330	75%
Brandenburg	22.033	2.670	30.250	20.000	66%
Sachsen-Anhalt	5.326	1.080	212.982	159.260	75%
Sachsen	3.629	0.451	85.265	63.330	74%
Thüringen	5.248	0.932	157.637	117.910	75%
TOTAL	115.33	53.382	2 178.408	1 158.782	53%

¹ Old extensification programme (EC Reg. 4115/88)

Data/estimates for *Länder* (not always possible to extract cumulative data) (Osterburg, pers. comm., FAL, 1997).

Länder data for groups of measures for 1996/97 (to 15/10) are available from authors, based on 2078/92 statistical reporting by member state to European Commission.

It is not possible on the basis of available information to reconcile differences between different data sources.

5.2 Impact of mainstream agricultural support measures on organic farming

5.2.1 Actors

Not applicable

5.2.2 National/regional legislation (not EU-derived)

Not applicable

5.2.3 Variations in mainstream CAP Reform measures implemented

All mainstream measures applied, (male calf processing scheme not implemented). Early marketing premium for male and female calves introduced in 1996.

5.2.4 Set-aside management requirements and implications for organic farming

Main requirements are: set-aside must be covered by vegetation (either natural regeneration or sown). The use of organic and mineral fertilisers and the use of pesticides are prohibited.

The existing management requirements for set-aside area do not discriminate for/against organic farming.

The support is positive for cropping farms, since set-aside with clover can be used for fertility building.

On livestock farms relying on arable fodder crops which are too large for the small farm scheme, there can sometimes be problems with feed shortages.

5.2.5 Impacts of other measures on organic farming

There are no studies which have investigated this.

5.2.6 Special provisions for organic/converting producers

No special provisions identified

5.2.7 Environmental cross-compliance measures and implications for organic producers

No specific measures identified.

5.2.8 Impact of expenditure capping mechanisms on organic farming

Base areas in some *Länder* have been exceeded in the past few years and the payments have been reduced accordingly. But there have never been any additional compulsory set-aside requirement imposed. The support payments for oilseeds were last cut in 1994 by 18% because of exceeding the base area and by a further 5% due to changes in world prices. Because of the relative unimportance of this crop on organic farms in most regions, the impacts on organic farms were small.

5.2.9 Impact of national or regional aids on organic farming

None are known which have a significant impact. The following could have some impact, but this has not been quantified. The option for small farms to pay tax on the basis of estimated turnover rather than on farm accounts might favour organic farms relying less on external inputs. Similarly, estimated employers' contributions to income tax might benefit producers that rely on seasonal labour.

Investment aid for individual farms benefits organic farms for restructuring purposes and invest in marketing/processing enterprises. There is an informal agreement that machinery that improves the spreading of FYM can be covered, even though machinery investment is otherwise excluded from the programme.

5.3 Marketing and processing schemes

5.3.1 Legislation which provides support for marketing and processing

5.3.1.1 National programmes (or programmes offered in more than one *Bundesland*)

GAK: *Gemeinschaftsaufgabe zur Verbesserung der Agrarstruktur und des Küstenschutzes* (Joint task for the improvement of agricultural structures and coastal protection) is a national programme which includes the following elements:

1. *Richtlinie zur Förderung der Vermarktung nach besonderen Regeln erzeugter landwirtschaftlicher Erzeugnisse* (Guidelines to support the marketing of products produced according to specific production rules): This provides support exclusively to the organic sector, with 60% of the finance coming from the state and 40% from the *Länder*. Each *Bundesland* enacts laws that implement these guidelines. In 1996, 52 producer coops received support, the majority in Bayern (13), Baden-Württemberg (8), Niedersachsen (8), Hessen (7) und Nordrhein-Westfalen (6).
2. *Grundsätze für die Förderung im Bereich Marktstrukturverbesserung* (Principles to support the improvement of marketing structures (Regulation (EEC) No 866/90, replaced by Regulation (EC) No 951/97). Each *Bundesland* draws up a “sectoral plan” which is then approved by the EU. Currently, only three of the *old Länder* have specifically targeted organic products in the plan for the period 1994-1999. (Bayern, Nordrhein-Westfalen and Hessen). The average, EU contribution is about 60%, and *Länder* share varies according to *Bundesland*.
3. *Agrarinvestitionsförderprogramm* (AFP): This provides investment support to both conventional and organic farmers under Regulation (EEC) No 2328/91, replaced by Regulation (EC) No 950/97. The AFP allows each *Bundesland* to direct support towards particular types of production and marketing. For example, in Nordrhein-Westfalen preference is given to direct marketing and animal welfare initiatives. Niedersachsen has used the AFP for similar areas of support, with a comparatively high share of the direct marketing support going to organic farms.
4. *Grundsätze für die Förderung aufgrund des Marktstrukturgesetzes* (principles for support on the basis of the Marktstrukturgesetz is financed 60% from the Bund (state) and 40% from the *Länder*. Support is provided, among others, to producer groups such as the Öko-EZG Prignitzer Weiderind in Brandenburg.

An interesting initiative currently occurring on a national level is the development of a national organic logo to create a generic quality mark for organic products which is easily recognisable to consumers. This is being carried out by the organic associations (AGÖL), in co-operation with food retailers and CMA (Central Marketing Agency).

5.3.1.2 Regional programmes and individual projects outside the framework of GAK¹

BADEN-WÜRTTEMBERG

Available only to the organic sector

Programme: Support for the marketing and advertising of organic products from Baden-Württemberg

Finance: 100% Bundesland

Sample project: Radio advertisements for organic milk and dairy and bakery products

Programme: Support for participation at special exhibitions/trade fairs. Up to 50% of total costs can be financed. There must be a minimum of five enterprises participating.

Finance: 100% Bundesland

Programme: Extension projects for the support of the marketing of organic products for canteens, gastronomy and retailers.

Finance: 100% Bundesland

Sample projects: Project to improve the sales of organic products in canteens with Demeter

BAYERN

Available only to the organic sector

Programme: Support for Bavarian organic products with a label of origin "Öko-Qualität, garantiert aus Bayern"

Finance: 100% Bundesland

Available to the whole agricultural sector

Programme: EU pilot projects for the support of the marketing of agricultural products from extensive and environmentally friendly production in Bayern.

Finance: 29% Bundesland, 21% EU

Sample projects: Beef from organic grazing livestock farms; Cheese from extensive milk production

Programme: Quality guarantee labels

Finance: 100% Bundesland

Sample projects: Landkorn (organic cereals); Andechser Biomilch (organic milk)

BRANDENBURG

Available only to the organic sector

Individual project support:

1. Introduction of the organic logos "Bio-Brandenburg"
2. Introduction of an assortment of organic products in the retail chain Meyer-Beck

Available to the whole agricultural sector

Programme: Guidelines for the approval of subsidies for the support of direct marketing of agricultural products

Finance: 100% Bundesland

Regional programmes and individual projects outside the framework of GAK¹ (cont.)

HAMBURG

Available only to the organic sector

Sample projects:

1. Development of a new market for organic products through canteens and wholesalers
 2. Information stand for the organic producer associations to display at markets
 3. Survey of consumer attitudes to and sales potential of organic products
-

HESSEN

Available to the whole agricultural sector

Programme: Guidelines for marketing support for environmentally and animal-welfare friendly production within the framework of the Kulturlandschaftsprogramm

Finance: 100% Bundesland

Sample projects: The development of on farm slaughter facilities

Programme: Guidelines to support product innovation and alternative marketing strategies

Finance: EU Objective 5b and Bundesland

Sample projects: Establishment of an on farm cheese making operation

Programme: Guidelines for the support of agricultural marketing projects

Finance: EU Objective 5b and Bundesland

Sample projects: Training of sales personnel to improve the marketing of wholemeal cereal products

MECKLENBURG-VORPOMMERN

Available only to the organic sector

Individual project support: Biopark Markt GmbH

Available to the whole agricultural sector

Direct marketing programme

NIEDERSACHSEN

Available only to the organic sector

Programme: Investment aid for the collection, processing and marketing of organic milk

Finance: 100% Bundesland

Individual project support:

1. Ökologischer Kurort Bad Laer, development of regional sales outlets for organic products
2. Water projects
3. Action days for organic farming 29.06-13.07.1997
4. Brochures on organic farming
5. Shopping guide to organic products
6. Bürgschaft "Biofrisch-Markt"

Available to the whole agricultural sector

Programme: Support for direct marketing and the marketing of organic products

Finance: 100% Bundesland

Sample project: Support for direct marketing of organic products in areas remote from markets (Wendtland)

Programme: Support for direct marketing in the framework of the AFP

Finance: EU 25%, Bund (state) 45%, Bundesland 30%

Regional programmes and individual projects outside the framework of GAK¹ (cont.)

NORDRHEIN-WESTFALEN

Available only to the organic sector

Individual project support:

1. Pilot project „Märkischer Landmarkt“: through strengthening regional marketing, enterprises can see the potential for conversion to organic farming
2. Improvement of organic sales to the conventional retail sector („Ravensberger Land“ in co-operation with CMA)
3. Establishment of a supply co-operative for catering („Rheinland-Höfe“ in co-operation with CMA)

Available to the whole agricultural sector

Programme: Regional marketing programme to create and strengthen regional marketing structures, including direct marketing

Finance: 100% Bundesland

Programme: AFP - Investments focussing on direct marketing and animal-welfare friendly production are given preference

RHEINLAND-PFALZ

Available only to the organic sector

Individual project support: There is a possibility a small subsidy for organising the bundling of supply in the organic milk sector. This has not yet been approved.

Available to the whole agricultural sector

Programme: Verwaltungsvorschrift zur Förderung im Marktbereich (Administrative regulation for market support), 21.3.1991 (MinBl S. 158, last amended 03.04.1996 Min.Bl. S. 304) aims to improve market opportunities and market position of Rheinland-Pfalz agriculture

Individual project support: Pilot project to improve the market position of producer groups through communication, organised marketing strategies, advertising.

Regional marketing: Although there is no special programme for this, 150 000 DEM was awarded in 1996 for the creation and organisation of regional marketing initiatives

SAARLAND

Available to the whole agricultural sector

Programme: Obj 5b support

Sample project: Establishment of an on farm dairy in St Wendel-Osterbrück

SACHSEN

Available only to the organic sector

Individual project support:

1. Advice for organic processors
2. Development and promotion of the Sachsen organic logo
3. Distribution of consumer information about organic farming

Available to the whole agricultural sector

Programme: Direct marketing programme

The Sächsische Staatsministerium für Landwirtschaft, Ernährung und Forsten (SML) provides support for co-ordination, demonstration and pilot projects for the development of new production and marketing channels

Regional programmes and individual projects outside the framework of GAK¹ (cont.)

SACHSEN-ANHALT

Available only to the organic sector

Individual project support:

1. Vorhaben Bergquell-Agrar-Naturprodukte-GmbH & CoKG in Langeln, storage, processing and marketing of organic potatoes, onions and apples
 2. Vorhaben Bergquell-Agrar-Naturprodukte-GmbH & Co Kg in Mahndorf, packing and marketing of organically produced eggs
-

SCHLESWIG-HOLSTEIN

Available only to the organic sector

Programme: Guidelines for the support of the marketing of organically produced products in Schleswig-Holstein aims to adjust marketing of organic products to meet market requirements with respect to quantity, quality and product type.

Finance: 100% Bundesland

Available to the whole agricultural sector

Programme: Guidelines for the support of direct marketing and the marketing of organically produced products aims to support the direct marketing of agricultural products and the marketing of organic products to meet market demand, to open up further sources of income to producers and to relieve surplus markets.

Finance: 100% Bundesland

Sample project: Dallmeyer Peters GbR intends to market agricultural products collectively

THÜRINGEN

Available only to the organic sector

Individual project support: Development, distribution and supervision of the "Thüringer Ökosiegel" (organic logo)

Available to the whole agricultural sector

Programme: Support of pilot and demonstration projects in the area of alternative methods of production and use of agricultural and forestry products.

Finance: 100% Bundesland

Sample projects: Establishment of an enterprise for the retail of fresh organic products (feasibility study)

Requirements of marketing and logistics for organic bakery products (feasibility study)

Alternative housing for belted pigs and the establishment of on farm marketing of organic products (investment aid)

*Source: Survey of Länder ministries in 1997/98 by FAL
(see Nieberg et al. 1999)*

¹ Programmes and projects included are those which are outside the framework of the GAK (Gemeinschaftsaufgabe Agrarstruktur und Küstenschutz)

5.3.2 **Actors: Organisations active in market development within the organic sector**

There are numerous actors active in market development within the organic sector. The following list represents a selection. (See also above list)

1. AGÖL - umbrella organisation representing some of the largest producer organisations
2. All organic producer organisations
3. Several marketing organisations closely linked to the organic producers associations: For example, Nos. 4-8
4. Demeter-Dienste GmbH
5. Biokreis Marken GmbH
6. Naturland Zeichen GmbH
7. WeinWerbe GmbH (Bundesverband ökologischer Weinbau) Promotion and marketing
8. Märkischer Wirtschaftsbund a regional organisation which groups the certification bodies Demeter, Gäa,
9. BNN (Bundesverband Naturkost Naturwaren)
10. Several producer coops of organic farmers (e.g. Bioland GmbH Nord: the largest German producer coop of organic farmers, 120 farms, 20 Mill. DEM turnover)
11. Several Länder ministries
12. CMA (Central Marketing Agency) - will introduce an organic logo in 1998 in co-operation with AGÖL
13. Bioland, processing and sales of organic products
14. Förderkreis Ökobörse Brandenburg e.V.: Promotion of regional (=near Berlin) marketing of organic products, public relations work for organic farming
15. Ökomarkt e.V. (Hamburg): Advice to consumers producers, support of direct marketing, non profit organisations such as Öko-Ring Schleswig Holstein
16. Supermarkets (some of them market organic products under own brand/marketing label)

5.3.3 **Public expenditure**

Up to now about (1.2-2.2%) of total funding under EC Reg. 866/90 has been earmarked for the organic sector (ratio for all old *Länder*). This proportion is as high as 13% in Nordrhein-Westfalen.

The following table has been compiled from expenditure details which were received following a survey of *Länder* ministries in 1997/98 by FAL (see Nieberg et al. 1999). Only expenditure for special programmes and projects which clearly relate to organic farming have been included. This overview therefore does not necessarily include total spending in this area in Germany.

5.3.3.1 Financial support for organic farming from programmes open exclusively to the organic sector and individual projects in the field of marketing and market development. (MDEM)

Programme		1994	1995	1996	1997	1998	1999
NATIONAL LEVEL							
GAK (1) ¹	Budget	13.2	11.3	9.1	5.67		
Total (for <i>Länder</i> breakdown see figures in italics below)	Actual	3.9	5.4	na	na		
GAK (2) ²	Budget			5	5	5	5
Total for Hessen, Bayern, Nordrhein-Westfalen (for <i>Länder</i> breakdown see figures in italics below)	Actual	1.1	1.1				
	EU %	53%	53%	Ø 60%	Ø 60%	Ø 60%	Ø 60%
	EC Reg.	866/90	866/90	866/90	866/90	951/97	951/97
REGIONAL (BUNDESLAND) LEVEL							
Baden-Württemberg							
Support for marketing and advertising	Budget	0.1	0.14	0.15	0.18		
	Actual	0.056	0.034	0.121	0.11		
Exhibitions and trade fairs	Budget	0.03	0.08	0.03	0.03		
	Actual	0.014	0.062	0.008	0.026		
Improved sales to canteens	Budget	0.06	nd	0.04	0.04		
	Actual	0.058	nd	0.037	0.037		

Financial support for organic farming from programmes open exclusively to the organic sector and individual projects in the field of marketing and market development. (MDEM) (cont.)

Programme		1994	1995	1996	1997	1998	1999
Bayern							
GAK (1) ¹ (Start up grants)	Actual				0.27		
GAK (1) ¹ (Investment aid)	Actual				0.157		
GAK (2) ²	Actual EU % EC Reg.				0.392 25% 951/97		
Start up grants for producer co- operatives	Actual	1991–95: 0.83					
Trade fairs/exhibitions	Actual		0.05	0.06	0.07		
Label of origin „Öko-Qualität“	Actual					1.0 (from 1998)	
Brandenburg							
GAK (1) ¹ (Producer co-operatives)	Budget Actual			0.079 0.079	0.067 0.064		
Introduction of logos for organic flour	Budget Actual					0.28	
Organic products in supermarkets	Budget Actual						0.2
Hamburg							
Budgeted support for organic products	Budget Actual	0.035 0.02	0.05 0.059	0.04 0.045	0.04 0.05		
Catering project	Budget EU % EC Reg.					1997–99 total: 0.221 50% 4256/88	
Mecklenburg-Vorpommern							
Biopark Markt GmbH	Budget Actual			0.2	0.126		
Niedersachsen							
GAK (1) ¹ (Producer groups)	Budget Actual		0.93	0.1	0.8		
Other organic projects supported (total)	Budget Actual		0.31	1.73	1.67		

Germany (DE)

Financial support for organic farming from programmes open exclusively to the organic sector and individual projects in the field of marketing and market development. (MDEM) (cont.)

Programme		1994	1995	1996	1997	1998	1999
Nordrhein-Westfalen							
GAK (2) ² (Investment aid)	Budget	1.4	1.66	2.07	2.07		
	Actual	0.109	1.05	1.61	0.482		
	EU %	57.3%	57.3%	57.3%	57.3%		
	EC Reg.	866/90	866/90	866/90	866/90		
GAK (2) ² (Start up grants)	Actual	0.345	0.392	0.342	0.117		
	EU %	57.3%	57.3%	57.3%	57.3%		
	EC Reg.	866/90	866/90	866/90	866/90		
Pilot project	Budget						0.466
	Actual				(Approved funding 1997-99)		
Rheinland-Pfalz							
GAK (1) ¹	Budget		0.070		0.025		
	Actual		0.025		0.0097		
Sachsen							
GAK (1) ¹	Budget	1.0	1.0	0.5	0.4	0.15 (est.)	0.25 (est.)
	Actual	0.578	0.638	0.347	0.157		
Producer associations, publicity, marketing co-ops, demonstration projects	Budget					1.1	1.2
	Actual				0.6		
Sachsen-Anhalt							
Bergquell-Agrar-Naturprodukte GmbH Langeln and Mahndorf	Budget			1.45	0.377		
	Actual			1.45	0.354		
	EU%			72%	75%		
Schleswig-Holstein							
GAK (1) ¹	Budget	0.173	0.186	0.2	0.22		
	Actual	0.173	0.186	0.077	0.125		
Thüringen							
GAK (1) ¹ (Start up grants)	Budget						
	Actual	0.103	0.277	0.175	0.113		
Ökosiegel	Actual			0.057	0.019		

Source: Survey of Länder ministries in 1997/98 by FAL
(see Nieberg et al. 1999)

GAK Gemeinschaftsaufgabe Agrarstruktur und Küstenschutz.

¹ GAK (1) Guidelines to support the marketing of products produced according to specific production rules (see 5.3.1.1)

² GAK (2) Principles to support the improvement of marketing structures (see 5.3.1.1)

5.3.3.2 Distribution of expenditure under GAK¹ to support producer co-operatives and processing enterprises. (DEM)

	1991	1992	1993	1994	1995
Start up grants	154 693	1 645 590	2 001 064	2 343 432	3 367 292
Investment aids for producer co-operatives	340 929	273 497	23 659	630 012	1 007 252
Investment aids for processing enterprises	685 568	1 920 985	2 136 787	964 653	1 026 257
TOTAL	1 181 190	3 840 072	4 161 510	3 938 098	5 400 802

Source: BML, Federal Ministry of Food, Agriculture and Forestry

¹ GAK Gemeinschaftsaufgabe Agrarstruktur und Küstenschutz.

5.3.3.3 Financial support for organic farming under general support programmes and individual projects in the area of marketing and market development (MDEM)¹

Programme		1994	1995	1996	1997	1998	1999
REGIONAL (BUNDESLAND) LEVEL							
Bayern							
Pilot projects	Budget	1989-95:2.1					
	Actual						
	EU %		71%				
Labelling programme	Budget	1.46 (approved since 1990)					
	Actual	1.09 (spent up to 31.12.1997)					
Brandenburg							
GAK (4)	Budget	0.067	0.032	0.018	0.018		
	Actual	0.061	0.03	0.015	0.018		
Direct marketing	Actual		1.18	1.27	0.385		
Hessen							
HEKUL-Marketing	Budget	0.7	0.6	0.65	0.65		
	Actual	0.419	0.585	0.428	0.357		
Niedersachsen							
GAK (3)	Budget				0.25		
Direct marketing (AFP)	Actual		0.3	0.3			
	EU%		25%	25%	25%		
Direct marketing (regional level)	Budget				0.05		
	Actual		0.05	0.05			

Financial support for organic farming under general support programmes and individual projects in the area of marketing and market development (MDEM)¹ (cont)

Programme		1994	1995	1996	1997	1998	1999
Rheinland-Pfalz							
Marketing support	Budget			0.095			
	Actual			0.07			
Sachsen							
Project to support marketing and market development	Budget	0.05	0.1	0.2	0.2		
	Actual	0.05	0.1	0.2	0.2		
Schleswig-Holstein							
Direct marketing and marketing of organic products	Budget	0.025	0.025	0.025	0.015		
	Actual	--	0.013	0.0093	0.0033		
Thüringen							
Agrarmarketing	Budget						
	Actual			0.034	0.067		
Alternative methods of use and production	Budget						
	Actual	0.016	0.065	0.083	0		

Source: Survey of Länder ministries in 1997/98 by FAL (see Nieberg et al. 1999)

¹ Figures have been included only from those Länder ministries that responded to the survey and therefore do not cover the whole of Germany.

5.3.3.4 Other support measures for organic farming

The following table represents only a small proportion of the total spending in this area in Germany and the data have therefore not been included in the comparative analysis published in Lampkin, N., C. Foster, S. Padel and P. Midmore (1999). The policy and regulatory environment for organic farming in Europe. Organic farming in Europe: Economics and Policy, Volume1.

Other support measures for organic farming

Baden-Württemberg

MLR guidelines for financial contributions to strengthen organic farming
Expenditure: 1997: 650 000DEM

Support for organic associations
Expenditure: 1997: 400 000DEM

Bayern

Support for the co-ordinating activities of the LÖV in Bayern
Expenditure: 1993-1996: 585 000DEM, from 1997: 80 000DEM p.a.

Brandenburg

Subsidies for the AGÖL associations Bioland, Demeter und Gäa in the framework of general support to fulfil statutory obligations
Expenditure: 55 000DEM p.a.

Hamburg

Support for organic enterprises to lease state owned land und farms
Expenditure: no data obtained

Investment aid (for example, composting facilities for organic vegetable enterprise)
Expenditure: no data obtained

Nordrhein-Westfalen

Publicity through the MURL: brochures about organic enterprises, provision of conversion information to farmers considering conversion (in progress)
Expenditure: no data obtained

Organisation of 'round tables' on topics relating to organic farming.
Expenditure: no data obtained

Sachsen

Support to the official advisor through the provision of advisory material, training in selected areas etc.

Expenditure: ca. 130 000DEM p.a. from 1998

*Source: Survey of Länder ministries in 1997/98 by FAL
(see Nieberg et al. 1999)*

5.3.4 General Comments

For the majority of regional (*Länder*) programmes the emphasis is on building up regional marketing structures rather than special support for marketing organic products. Even those projects which specifically target organic agriculture have a regional aspect to them.

The general EU measures for the support of recognised producer coops have not had much effect for organic farms because the required minimum production quantities are not achieved. This was a reason for the introduction of the national programme „Richtlinie zur Förderung der Vermarktung nach besonderen Regeln erzeugter landwirtschaftlicher Erzeugnisse“ (Principles to support the marketing of products according to specific production rules).

5.4 Regional and Rural Development Schemes

5.4.1 Legislation which provides support for regional and rural development

Various regional (*Länder*) programmes emphasise the development of regional marketing structures. These are covered in the previous section.

Organic projects have received support under EU Objective 5b and LEADER programme notably in Hessen, and Saarland. Organic farming is mentioned as a suitable area for support in the Obj. 5b programming documents for Bayern, Baden-Württemberg, Niedersachsen and Schleswig-Holstein, but no details of possible initiatives supported in these *Bundesländer* have been obtained.

5.4.2 Examples of organisations/projects which have received funding from regional or rural development schemes (see also previous section)

LEADER programme:

1. Organic Milk Marketing, Saarland
2. Wulkow, model of sustainable development on a regional level, Brandenburg
3. Natur- und Lebensraum Rhön (Nature and Living Area of the Rhön): LEADER funding has contributed to this regional development project
4. Gemeinschaftliche Direktvermarktung von Öko-Betrieben an Großverbraucher im Werra-Meißner Kreis.

Objective 5b:

Establishment of a farm-based dairy in St Wendel-Osterbrück, Saarland

5.4.3 Organisations active in regional or rural development within the organic sector

1. LEADER groups
2. All *Bundesland* ministries

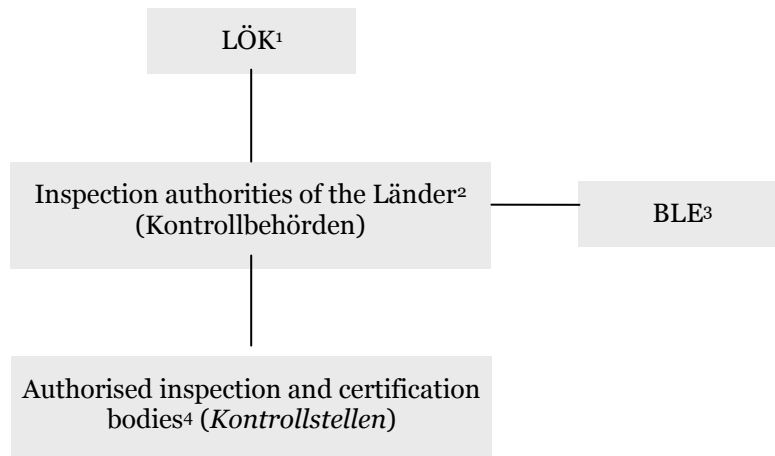
5.4.4 Public expenditure

No data available

5.5 Organic production standards, inspection and certification

5.5.1 Actors

5.5.1.1 Main bodies involved in administration, inspection and certification (EC Reg. 2092/91)



¹ LÖK (Länderarbeitsgruppe der Kontrollbehörden): working group of the inspection authorities

² Competent authorities responsible for administration of inspection and certification under 2092/91

³ BLE (Bundesanstalt für Landwirtschaft und Ernährung): Federal Institute of Agriculture and Food reports to the European Commission

⁴ Inspection and certification under EC Regulation 2092/91

Following the implementation of EC Reg. 2092/91, operators are required to undergo inspection by an authorised inspection body (*Kontrollstelle*) in order to market as organic any product covered by the regulation. There are currently about 59 such approved bodies.

Designated authorities in each *Bundesland* (*Kontrollbehörden*) act as administrative bodies for inspection and certification and also authorise the inspection bodies. They produce an annual report for the BLE, which then reports to the EU Commission. A working group composed of members of each designated authority (LÖK) undertakes to co-ordinate certification and inspection procedures, establishes conditions for the authorisation of inspection and certification bodies and disseminates information.

The Ministry of Food, Agriculture and Forestry (BML) only becomes involved when there are changes to the EC Regulation or problems surrounding the issue of third country imports.

5.5.1.2 Private sector bodies operating their own set of standards

The following producer associations are members of AGÖL (the umbrella organisation representing some of the major certification bodies in Germany):

Bioland; Demeter; Biopark; Gäa; Naturland; ANOG; Biokreis Ostbayern; Bundesverband Ökologischer Weinbau (Ecovin); Ökosiegel. The majority of the membership base of Biopark and Gäa is in former East Germany.

There are also 3 non-AGÖL associations (Ökoland; Ökobund; Bundesverband biolog.-ökolog. Landbauprodukte), whose standards are similar to those of the AGÖL associations. Although producers are bound to the standards of their individual sector body AGÖL has its own umbrella standards which incorporate the standards of its member organisations and comply with EC Reg. 2092/91. All producers belonging to a producer association must undergo inspection according to its standards. In order to minimise the inconvenience of 'double' inspections (one according to the producer association standards and one according to EC Reg. 2092/91) the two inspections are often carried out at the same time. In order to do so, many producer associations have established authorised inspection bodies under 2092/91.

5.5.2 National definition for organic farming (not EC Reg. 2092/91)

5.5.2.1 National legislation defining organic farming

The first legal definition existed in Germany with the implementation of 2092/91.

5.5.2.2 Non-legal national definition of organic farming

The AGÖL umbrella standards have provided a widely recognised definition for organic agriculture. The first umbrella standards were agreed in 1984 by SÖL and this function was taken over by AGÖL in 1988.

Objective: to provide a common basis for the work of organic producer associations.

The standards are comparable to the IFOAM Basic Standards and go beyond 2092/91. Unlike 2092/91, the AGÖL umbrella standards contain standards for animal production and products.

5.5.3 Prosecutions in breach of 2092/91 legislation or any other national legislation

A detailed overview is not accessible.

In July and August 1997 the AGÖL co-ordinating office for misleading labelling dealt with over 40 new complaints. One third were resolved through concessions to alter the labelling. In other cases investigations are still underway or legal action has been undertaken.

5.5.4 Financial support towards inspection and certification costs

Support is provided in three *Länder*: Baden-Württemberg, Bayern and Schleswig-Holstein. In Rheinland-Pfalz no direct support is given, although such costs are cited to the European Commission as one of the reasons justifying subsidies paid under EC Reg. 2078/92.

Baden-Württemberg: Support is awarded through the Richtlinie über Zuwendungen zur Stärkung des ökologischen Landbaus (Guidelines for strengthening organic agriculture). An enterprise can receive a maximum of 400 DEM and must be inspected according to 2092/91.

Bayern: 80 DEM for the first 10ha is paid towards inspection and certification costs. To be eligible for this support an enterprise is required to participate in the Kulturlandschaftsprogramm of Bayern -Teil A- which implements 2078/92, measure II.1. The support is paid on proof of inspection.

Schleswig-Holstein: A subsidy of up to 70% of proven inspection costs is paid for inspections carried out according to 2092/91. For animal production, costs up to a maximum of 1 000 DEM can be claimed for inspection through an AGÖL member association.

5.5.5 Average inspection and certification costs (DEM)

Producers: 200 - 1 000 (according to size, on average 450)
Processor: 400 - 4 000 (according to size)
Importers: 600 - 1 200

In Schleswig-Holstein and Bayern there are official tariffs set by the regional ministries. Other *Bundesländer* are likely to follow suit in the future.

Tariffs in Schleswig-Holstein:

Producers: Initial inspection: max. 1 000, subsequently 300-800 (average 600)

Processors and Importers: 400-1 400 per inspection day

5.5.6 Public expenditure for inspection and certification (MDEM)

Forecast

Inspection and certification support	Year	1993	1994	1995	1996	1997	1998	1999
Baden-Württemberg	Actual					0.65	nd	nd
Bayern	Actual		0.419	0.798	1.06	1.3	Expected	
	EU%		50%	50%	50%	50%	increase	
	EC Reg.		2078/92	2078/92	2078/92	2078/92		
Schleswig-Holstein	Actual					0.101	nd	nd

Source: Survey of Länder ministries in 1997/98 by FAL (see Nieberg et al. 1999)

5.6 Advice, Extension and Information

5.6.1 National/regional programmes

Extension is the responsibility of the German *Länder*, none of which currently has a specific programme for organic farming extension.

Hessen re-organised the provision of agricultural extension in general in 1992 and set up a department for ecological agriculture in the governmental advisory service that employs 5 specialists in the areas of crops, economics, animal nutrition, animal welfare and marketing/standards (Gruber and Fersterer, 1998).

Niedersachsen included a demonstration farm network in the programme under EC Reg. 2078/92, in which organic farms participate.

5.6.2 General provision of extension

5.6.2.1 Overview of special extension for organic farming with public support in Germany¹

Land	Special extension outside governmental offices	Governmental offices	Number of advisors in 1997
BY	Eco-producer-ring with Landeskuratorium für Pflanzliche Erzeugung	One advisor for organic farming in every local government region	25
BW	Several eco-rings	Advisors at local offices	nd
BB	2 Eco-rings (Brandenburg and Berlin-Brandenburg)		6
HH	Co-operation with eco-rings in NS and SH	Advisor at the chamber of agriculture	1
HE	One advisor for bio-dynamic and organic agriculture, working with the producer organisations	Department for ecological agriculture with 5 specialists some advice through 16 offices for agriculture and regional development.	approx. 10
MV	1 advisor for organic farming in a non-specialist extension ring		1
NI	Eco-ring Niedersachsen, Walsrode	Advisor at regional chamber of agriculture	6
NW	Producer organisation are supported to supply advice	Regional chambers give direct advice and run 7 discussion groups	7
RP		Advisors at two governmental offices	7
SL	By agreement special advice is provided by the advisory service of Rheinland-Pfalz		
SN		In every local government region there is one advisor for organic farming	3
SH	Eco-ring Schleswig-Holstein and ring for natural agricultural production	One organic advisor at the regional chamber of agriculture	4

Source: Survey of Länder ministries in 1997/98 by FAL (see Nieberg et al. 1999)

nd = no data available

¹ Only Länder with special organic farming provision listed

There is a nation-wide network of various extension organisations that cover the field of organic agriculture. Similar to the general governmental extension services, organic extension is organised on the basis of the Länder and varies considerably (see overview).

The provision includes a wide range of different types of organisations:

- Organic producer organisations with regional offices and regional producer groups;
- Extension groups (rings) with some public support;
- Specialist advisors in regional chambers of agriculture;
- Specialist advisors in the governmental agricultural offices;
- In addition there are some private consultants who might cover a wider region.

Charges for extension vary according to the provider. Producer organisations and extension rings commonly charge a membership fee that varies according to size and entitles the farmers to some advisory support from the organisation. Advice provided by specialist advisors in governmental extension offices can be free of charge.

Public support depends on the system for extension provision in each *Bundesland* and varies accordingly.

Some organisations operate at federal level to support organic advisors: SÖL publishes a newsletter for advisors that aims to facilitate the exchange of information between the various providers, there are regular meetings of organic advisors from the various producer organisations and under the umbrella of AGÖL.

5.6.3 Public expenditure for organic farming (MDEM)¹

		Forecast					
	Costs	1994	1995	1996	1997	1998	1999
BW	Actual/ budget	0	0.5	0.5	0.5	0.5	5
BY	Actual/ budget	0.831	1.1	1.43	1.31	1.6	1.6
	No of advisors	19	22	24	25	25	25
BB²	Actual/ budget	0.36	0.36	0.36	0.36	0.36	0.36
	No of advisors	6	8	8	6	6	6
HE	Estimated costs ⁴	0.5	0.6	0.8	1.0	nd	nd
	No of advisors	5	6	8	10		
HH³	Actual/budget	0.015	0.02	0.02	0.03	0.03	0.03
MV	Actual/budget		0.03	0.03	0.03	0.03	0.03
	No of advisors		1	1	1	1	1
NI	Extension costs	nd	0.36	0.37	0.35	0.35	0.35
	Demonstr. farms			0.08	0.07	nd	nd
	EU % (2078/92)			50	50		
	No of advisors	nd	nd	nd	6	6	nd
NW	Estimated costs ⁴	0.6	0.6	0.7	0.7	nd	nd
	No of advisors	6	6	7	7		
RP	Estimated costs ⁴	0.4	0.7	0.7	0.7	nd	nd
	No of advisors	4	7	7	7		
SN	Actual/budget ⁵	0.225	0.275	0.30	0.33	0.55	0.61
	No of advisors	3	3	3	3	3	3
SH	Actual/budget	0.063	0.061	0.061	0.061	nd	nd
	No of advisors	3	3	3	4		

Source: Survey of Länder ministries in 1997/98 by FAL
(see Nieberg et al. 1999)

nd = no data available

¹ Only expenditure for special programmes, clearly related to organic farming could be obtained. Additional spending that occurs under different headings could not be identified. The figures do therefore not reflect the total spending in this area in Germany.

² Since 1994/95 for five years 54 000 ECU are financed by the EU (50% EU-contribution under Objective 1, EC Reg. 2328/91, revised 950/97.

³ The listed amount is given by the regional chamber of agriculture to the eco-rings in NI and SH. The regional chamber is reimbursed by the Department of trade with 1 500 DEM per farm for basic advice and further 800 DEM per farm for conversion advice.

⁴ Estimate based on the number of advisors (100 000 DEM per person)

⁵ Includes estimates for the salaries for the advisors in local government offices (75 000 DEM per person). the figures do not included planned spending of 130 000 DEM per year for training of the advisors, which is not approved.

5.7 Training and education

5.7.1 National/regional initiatives

In 1995, the KMK (Kultus-Minister Konferenz - Co-ordination Conference of the Ministers for Education from all *Länder*) decided to include organic farming in the curriculum for agricultural schools.

In 1996, *Bund-Länder* Commission for the planning of education and research approved a pilot project for a degree scheme in ecological agriculture at University of Kassel (*Modellversuch ökologischer Landbau*), closely linked to the specialisation in ecological agriculture that is taught at University Kassel (GhK, Witzenhausen). The main aims of the pilot project are: to provide a review of the work carried out to prepare the teaching; evaluate the specialisation through a survey of graduates and potential employers; organise events for curriculum development and prepare reports. It is the intention that through this the experiences of the curriculum of this specialisation can be of benefit to other institutions.

5.7.2 General provision of training

Technical/vocational courses with specialisation in organic farming are offered in four German *Länder*. One agricultural school in Bayern (Pfarrkirchen) offers a specialisation in organic farming in the second year of vocational training. One secondary college (Schönbrunn) offers a two-year specialisation in organic farming leading to an approved qualification that is financed by the local and regional governments.

Nordrhein-Westfalen has had a secondary college for ecological agriculture since 1996/97 (Kleve) that also teaches a two-year course with to an approved qualification.

The agricultural college in Schleswig-Holstein (Rendsburg) has offered one module in organic agriculture since 1995. Since 1997, a one-year course leading to an approved qualification has been offered.

In Thüringen, the introduction of an approved qualification is planned for 1998/99.

At academic level Germany was the first country to introduce a chair in organic farming (GhK, Gesamthochschule Kassel in Witzenhausen in 1981 in Hessen). Since 1995, the same University offers a specialisation in ecological agriculture as part of academic training, at BSc and MSc level. This is accompanied by the above-mentioned pilot project (*Modellversuch ökologischer Landbau*). Witzenhausen will offer the European BSc and MSc Ecological Agricultural in 1998. As a result of re-orientation of all the teaching aspects of organic farming are now also taught by other disciplines, especially in the area of animal production.

Other chairs in organic farming exist at three colleges (Nürtingen, Osnabrück, Geisenheim) and four universities (Giessen, Bonn, Kiel, Halle). These are in most cases based in the crops departments; two universities employ a scientific co-ordinator (Hohenheim, Weihenstephan). Most of these appointments were made as a result of intense student pressure. All colleges and universities offer one or several modules in organic farming for students of agriculture and related subjects, in the case of Weihenstephan a student working group is supported by the regional government to organise a series of lectures every year.

The biodynamic movement has three different schools that offer courses for trainees alongside their practical training on biodynamic farms but only one offers a formally recognised qualification.

Several producer organisations and advisory groups offer introductory courses for farmers (usually 5 days) as well as more advance courses on a particular topic of interest.

5.7.3 Public expenditure (MDEM)

Public expenditure could only be identified for special programmes for farmers' courses in two of the German *Länder*. This represents only a very small proportion of the total spending in this area in Germany and the data have therefore not been included in the comparative analysis published in Lampkin, N., C. Foster, S. Padel and P. Midmore (1999). The policy and regulatory environment for organic farming in Europe. Organic farming in Europe: Economics and Policy, Volume1.

		Forecast					
	Year	1994	1995	1996	1997	1998	1999
Niedersachsen	Actual			0.2	0.23	0.45	0.45
	EU%			50	50	50	50
	EC Reg.			2078/92	2078/92	2078/92	2078/92
Sachsen ¹	Actual	0.004	0.01	0.01	0.01	0.03	0.06

Source: Survey of Länder ministries in 1997/98 by FAL
(see Nieberg et al. 1999)

¹ Estimates include only short courses.

Two private foundations (SÖL and Schweisfurth-Stiftung) and the biodynamic movement have supported training events and the preparation of teaching material.

5.8 Research and development

5.8.1 National/regional programmes

At the beginning of 1998 the BLE (*Bundesanstalt für Landwirtschaft und Ernährung*) announced on behalf of the Federal Ministry for Agriculture a research programme (*Forschungs- und Entwicklungsvorhaben im Agrarbereich für Umweltschutz, 27/2/98*). The main aim of the programme is to support the development and technology transfer of improved practices in ecological agriculture, particularly in the following areas:

- Soil conservation and cultivation;
- Nutrient and waste recycling;
- Crop protection;
- New techniques for ornamental plants and tree nurseries;
- Reduction of potentially harmful substances;
- Optimisation of processing (animal production);
- Replacement of conventional medication and feed additives in animal production;
- Ecological fish farming.

The funding can cover the costs of farmers (not more than 50% of the total project costs) for the introduction of new techniques as well as scientific supervision. The total funding and time scale for the programme is not known.

5.8.2 General provision of research

5.8.2.1 Major actors involved in organic farming research

- Universities and colleges (particularly those with chairs for organic farming but also other universities, e.g. Kassel-Witzenhausen, Bonn, Kiel, Hohenheim, Giessen, Göttingen, Halle, Rostock, FH-Neubrandenburg, FH-Rendsburg, FH-Anhalt, FH-Geisenheim, HU Berlin, Fulda).
- Federal and Regional Research Institutes (e.g. FAL-Braunschweig, Sächsische Landesanstalt für Landwirtschaft, Amt für Landwirtschaft und Ernährung Bayreuth, Institut für umweltgerechte Landbewirtschaftung Mühlheim, Landesforschungsanstalt für Landwirtschaft u. Fischerei Mecklenburg-Vorpommern, Thüringer Landesanstalt für Landwirtschaft, Staatliche Lehr- u. Versuchsanstalt für Landw., Wein- und Gartenbau Rheinland-Pfalz, ZALF Müncheberg)
- Regional public authorities/ bodies (e.g. Umweltbehörde Hamburg, Hessisches Landesamt für Regionalentwicklung und Landwirtschaft, Landwirtschaftskammer Rheinland; Staatliche Lehr- und Versuchsanstalt für Wein- und Obstbau Baden-Württemberg in Weinsberg)
- Private and semi-private institutions, foundations, extension rings, e.g. Kuratorium für Technik und Bauwesen in der Landwirtschaft e.V. (KTBL), Zentrale Markt- und Preisberichtsstelle GmbH (ZMP), Stiftung Ökologie und Landbau (SÖL), Deutsche Bundstiftung Umwelt (DBU), Schweissfurth-Stiftung, Versuchs- u. Beratungsring ökologischer Landbau Niedersachsen e.V., Forschungsring für biol.-dynamische Landwirtschaft; Ökoring Schleswig-Holstein, Deutsche Forschungsgemeinschaft.

There are approximately 100 projects currently underway. Because of responsibility for research at Universities and Landesforschungsanstalten lying with each *Bundesland* rather than at federal level there is limited co-ordination and strategic planning at national level. Researchers that work in similar fields co-operate through personal initiative. One private foundation (SÖL) supports a bi-annual conference, which is organised at different locations and aims to facilitate exchange between the various researchers in the German speaking countries.

There is one documentation service which covers almost all available literature and ongoing projects in Germany which used to be supplied by ZADI (Centre for Agricultural Documentation and Information) and is now supplied by ÖKO international CONSULTing Leipzig e.V.

5.8.2.2 Projects and programmes supported by the *Länder*

Bayern supports two major research projects (crop protection in potatoes on integrated and organic farms; development of a marketing concept) and various smaller projects.

Brandenburg supports various research projects on arable various aspects of crop production, horticulture (vegetables and herbs), one long-term experiment on rotations and one research farm.

Hamburg supports one small research project on ecological and integrated fruit production.

Hessen supports chairs in ecological agriculture and related subjects at two universities and two colleges, which all are involved in various research activities.

Mecklenburg-Vorpommern supports various small projects in aspects of crop production and economic evaluations.

Nordrhein-Westfalen introduced in 1985 a research programme for environmentally friendly farming systems and since 1993 a network of pilot farms in ecological agriculture. The chair for ecological agriculture at the University of Bonn and the horticultural research farm at Auweiler are involved in various other projects.

Niedersachsen supports three projects at one university and one college on aspects of crop production. An economic evaluation with the aim to collect data for extension activities with a focus on marketing and on-farm processing has been contracted to Oekoring Niedersachsen (extension ring) since 1989, originally for 5 years but has now been extended for another 5 years.

Rheinland-Pfalz supports one long term project into soil conservation and cultivation on ecological farms, a project on monitoring the dynamic of P and a project on quality assurance of organic products.

Sachsen supports research activities at one regional institute for agricultural research, no further details of projects could be obtained.

Schleswig-Holstein supports several projects in technology transfer.

Thüringen supports several applied research projects on improvement of production techniques and environmental impact of organic farming and one pilot farm.

5.8.3 Public expenditure (MDEM)

Research is funded by the federal ministry of agriculture, regional ministries, the German Research Council (DFG), private foundations (SÖL, Schweisfurth Stiftung) and other sources, e.g. DBU. The regional ministries for training and education support research activities at chairs for ecological agriculture.

Data could only be obtained for the expenditure of special projects and programmes clearly related to organic farming that are supported by the agricultural ministries of the *Länder*. The data therefore do not reflect the total spending in this area in Germany and have not been included in comparative analysis (see Lampkin, N., C. Foster, S. Padel and P. Midmore (1999). The policy and regulatory environment for organic farming in Europe. Organic farming in Europe: Economics and Policy, Volume1.

	Forecast						
	1993	1994	1995	1996	1997	1998	1999
BB			0.4	0.4	0.4	nd	
BY				0.5	0.5	0.5	
MV	0.11	0.11	0.11	0.12	0.1	0.1	0.1
NI	0.12	0.12	0.12	0.12	0.12	0.12	
SH					0.12	nd	
SN				0.46	0.46	0.51	0.51
DFG (Bonn)		0.56	0.56	0.56	0.56	nd	
DBU	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Source: Survey of Länder ministries in 1997/98 by FAL
(see Nieberg et al. 1999)

nd = no data available

5.9 Future Policy Developments

Organic farming has by now established its firm place in agricultural policy making. Financial support for organic farming remains therefore likely to continue in the medium term.

All encompassing marketing funds are under discussion, but so far no firm commitment has been made.

The secretary of AGÖL is of the opinion that future support policies will also depend on the public finances and is therefore likely to decrease. At the same time the importance of the environment as an issue to win the support of the electorate is reduced. Support for individual projects will increasingly depend on match funding.

In a survey of *Länder* Ministries by FAL, most foresaw a continuation of current policies for area support. In the area of marketing, however, efforts were likely to be intensified, to balance the achievements in increasing the supply base. A wide consensus appears to exist that organic farming is likely to depend on the market in future and this area should get particular attention. The re-orientation towards a demand-centred support strategy was particularly emphasised in Niedersachsen, Hessen, Bayern and Saarland. Sachsen and Nordrhein-Westfalen also emphasise an increase in promotional activity. Sachsen also emphasised to role of advice and training. Thüringen plans to support the marketing of organic products through the development of a generic brand image,

bringing several producers and processors together. In Hessen, investment aids under EC Reg. 951/97 are to be integrated with other measures and there will be a new programme (following the existing one) as part of the improvement of marketing and processing conditions.

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6 DK – Denmark

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6.1 Organic farming under agri-environment and extensification programmes

6.1.1 Actors

6.1.1.1 Organisations Involved In setting up 2078/92 or other organic farming support scheme

(Applies to 2078/92 and 1987 schemes)

- The Organic Agriculture Council
- The Ministry of Environment and Energy
- The Ministry of Food, Agriculture and Fisheries
- The Plant Directorate
- The Bio-dynamic Association
- The Co-operation Council for Bio-dynamic and Organic Agriculture
- The Association of Organic Agriculture (LØJ)
- The Danish Farmers Union
- The Danish Family Farmers and Smallholder Association
- The Labour Movement
- The Consumer Council,
(the above mentioned are all in the Organic Agriculture Council)
- The Directorate for Development of Agriculture and Fisheries
- The County Council Association in Denmark
- The National Municipality Association
- The Nature Conservation Association in Denmark
- The Outdoor Council

6.1.1.2 Organisations Involved In operating 2078/92 or other organic farming support scheme

(Applies to 2078/92 and 1987 schemes)

- The Plant Directorate
- The Danish Directorate for Development in Agriculture and Fisheries
- The Veterinary Services
- Private organisations involved in the Organic Agricultural Council (see above)

6.1.2 National/regional legislation which provided organic farming support before 2078/92

This section relates only to the 1987 scheme for organic farming support and certification

6.1.2.1 National/regional legislation which provides/provided organic farming support

- a) Law no. 363, 10.06.1987 (law on organic farming).
- b) Order of the Agricultural Department no. 830, 15.12.1987 (organic farming).
- c) Order of the Agricultural Department no. 4, 7.01.1988 (support for promotion of organic farming)

6.1.2.2 Objectives of any national/regional legislation

The objective of the law is to promote the development of organic farming and the idea of organic farming by:

- a) introducing support for conversion to organic farming
- b) providing support for developmental projects
- c) introducing public certification for organic (and biodynamic) products through the Plant Production Inspectorate
- d) defining principles of organic farming
- e) establishing the Council of Organic Agriculture under the Ministry of Agriculture. The Council should:
 - follow and assess the development possibilities for Danish organic production;
 - develop proposals for supporting the promotion of organic farming;
 - assess the extension and experimental work;

- give suggestions for further activities; and
- comment on certification rules, marketing, storing, transport, labelling, distribution, and retail sales

(The Council consists of one member from each of the following organisations: The Ministry of Agriculture, The Ministry of Environment, The Biodynamic Association, The Danish Association of Organic Agriculture, The Co-ordination Council for the Organic and Biodynamic Agriculture, The Danish Farmers' Union, The Danish Small Farmers and The Danish Consumer Council).

6.1.3 Agri-environment schemes (measures) Implemented

	Measures	Start year	Regions	Number of farms 1996	Land area (ha) 1996
<i>National measures</i>					
1	40% reduction of N-fertilisers	1994	All initially ESAs only from 1997	299	6 600
2	Cultivation without use of pesticides	1997	ESAs only	-	-
3	Extensive grassland management	1995	ESAs only	3 884	30 907
4	Rye grass in cereal fields (Italian rye grass only in 1994)	1994	All initially ESAs only from 1997	218	2 266
5	12 m unsprayed buffer zones along water courses/hedgerows	1994	ESAs only	87	85
6a	20 year set-aside of arable land	1994	ESAs only	120	1 003
6b	Set-aside of grassland for 20 years	1997	ESAs only	-	-
7	Extensive grassland (grazing, clearing, hay making)	1996	ESAs only	nd	nd
8	Reduced drainage/raised water level	1996	ESAs only	nd	nd
9	Cultural landscape	1997	ESAs only	-	-
10	Public access	1996	ESAs only	-	-
1-10	Sub-total environmentally friendly farming in ESAs measures		Total uptake to 1997	15.10.97: 6 523	15.10.97: 57 028

Agri-environment schemes (measures) implemented (cont.)

	Measures	Start year	Regions	Land area (ha)	
				Number of farms 1996	1996
<i>Organic farming measures (national)</i>					
11	Conversion aid for organic farming	1994	All	nd	19 773
12	Continuing organic farming	1994	All	nd	34 679
13	Reduced N in organic farming	1994	All initially, higher rates in ESA; ESAs only from 1997	nd	33 173
14	Supplement in ESAs	1994	ESAs only	nd	1 996
11-14	Sub-total organic farming measures		Total uptake to 1997	15.10.97: 1 452	15.10.97: 50 281

Previous organic farming schemes

15	Conversion support	1988-1993	All	Est. 257	1 437
16	Development projects	1988	All	nd	nd

Sources: 1996 data for environmentally friendly farming: Directorate of Development database, 17.2.97 (not final)
1996 data on organic farming: Plant Directorate, Organic farms 1996, certification and production.
1997 data (15/10): 2078/92 statistical reporting by Member State to European Commission.

Regulation 2078/92 was implemented into Danish legislation with "the Act on support of agricultural structural development and of ecological agriculture" that came into force on 15/4/94. Minor changes were made in 1995 and major changes in 1997.

1-10 under Order nos. 229 (4.4.95) and 225 (25.3.97) on support for environmental agriculture

11-14 are under Order nos. 250 (11.4.95) and 226 (25.3.97) on support for organic agriculture

6.1.4 Details of organic farming scheme

6.1.4.1 Requirements and eligibility conditions

(Applies to 1987 and 1994 schemes unless otherwise indicated)

Farmers eligible to participate	Converting <input type="checkbox"/> Continuing <input type="checkbox"/> (Conversion only for 1987 scheme, with commitment to convert whole farm within 4 years and maintain organic production for at least 2 years after conversion)
Organic certification requirement	<input type="checkbox"/> national certification with Plant Directorate is required (2092/91 and national laws)
Maximum size/payment limit	<input type="checkbox"/> If organic farming is combined with other agri-environment options, there is a maximum payment limit of 5 000 DKK/ha during conversion and 4 000 DKK/ha subsequently. (No maximum for 1987 scheme)
Minimum size/payment limit	<input type="checkbox"/> Both schemes: at least 1 ha must be converted each year.
Stocking rate limit	<input type="checkbox"/> There are no special stocking rate limits for organic farming, but there is a general limit set for livestock density relating to the spreading of manure: 1.7 LU/ha on pig and stockless arable farms, 2.3 LU/ha on beef farms until 1999, then 2.1 LU/ha until 2003 and 1.7 LU/ha subsequently. For other farms it is 2.0 LU/ha/year until 2003 and 1.7 LU/ha subsequently. If there is a written contract with another farmer to buy surplus manure, the stocking rate may be increased.
Eligible crop restrictions	- Payments in both schemes apply to rotational crops only and not to permanent grassland.
Organic management of livestock	<input type="checkbox"/> According to national standards (Order from the Danish Plant Directorate no. 720 (19.8.92))
Staged conversion possible	<input type="checkbox"/> All areas should have started the conversion by the 1st of January in the 4th year of the contracted period
Part farm conversion possible	-
Training and/or advice provided	<input type="checkbox"/> Optional
Other restrictions	- There are no general requirements (see environmental cross compliance section under mainstream measures) but for areas in ESAs it is possible to get a supplement of 500 DKK/ha if only 60% of specified nitrogen levels is used
Adjustments to original scheme	<input type="checkbox"/> From 1997, organic farming is the only scheme available outside ESAs. New supplementary payments were also introduced in 1997 - see organic farming payments table below for details. For the 1987 scheme, the certification requirements were adapted to 2092/91 in November 1991.

= yes, - = no

6.1.4.2 Regional variations

None

6.1.4.3 Payment rates for organic farming schemes (DKK/ha)

Year	Land use/type	Conversion (2 years)	Continuing	Comments
<i>Previous organic farming schemes</i>				
1988-1989	Only crops in rotation	Years 1/2/3 1 500/800/300		
1992	Only crops in rotation	700		Additional support given in the 2nd. year of conversion for areas grown with cash crops for sale
1989-1993		Years 1/2/3	Years 4/5	
	< 0.3 LU/ha	1 500/800/300	0	
	0.3-0.7 LU/ha	1 970/1 055/375	0	
	> 0.7 LU/ha	2 200/1 180/420	0	
<i>2078/92 organic farming scheme</i>				
1994	Standard, only crops in rotation	300+750	750	The conversion support (300) is only given for a 2 year period.
1994	Reduced N-fert.	650	650	Additional – fertiliser must be < 50% of defined need. Not for crops, e.g. legumes, with reduced need for N
1995	Standard, as 1994	275+600	600	Conversion supplement max 2 years
1995	Reduced N-fert.	525	525	As 1994 – typically combined
1996 on	Standard, as 1994	200+450	450	Conversion supplement max 2 years
1996 on	Reduced N-fert.	400	400	As 1994 – typically combined
1994-1996	In ESAs	215	215	Additional supplement
1997 on	In ESAs	500	500	Additional supplement

Payment rates for organic farming schemes (DKK/ha) (cont.)

Year	Land use/type	Conversion (2 years)	Continuing	Comments
1997 on	Arable land on farms without milk quota	2 000 for 2 years	1 200 for 1 year after conversion	Supplementary support Only for farms with at least 50% of the crops eligible for arable area payments before and during support period
1997 on	Existing pig farms with 0.8-1.7 LU/ha before conversion	As arable farm supplement	As standard + 2 000 for 3 years after conversion	Supplementary support (max. 0.5-0.7 LU/ha in conversion and during contract period). Not combinable with arable farm supplement after year 2

6.1.4.4 Adjustments to the rates of payment since scheme was originally implemented

See table above for details. The reductions in 1995 and 1996 were planned from the start (STAR, 1994).

The new supplementary supports from 1997 arose because the organic farmers had been able to show that only organic dairy farmers had premiums that were high enough to make organic farming pay. The Directorate for Development writes in the instructions for area support for organic agriculture that the Danish parliament and government want to ensure that the demand for organic products can be covered by Danish products. At present there is a lack especially of cereals and pork and therefore extra support for these types of production are introduced. The support is not supposed to be extra income but compensation for extra costs/income foregone.

6.1.4.5 Support other than direct income payments as part of organic farming scheme

(Applies to 1987 and 1994 schemes as both covered by Danish Law on organic farming)

Marketing and processing	Support is available for developing projects, concerning collection, manufacturing and marketing of organic agricultural products.
Certification and inspection	Certified farmers pay for public certification by amounts which are calculated in order to pay direct costs. The Danish state covers the difference.

Support other than direct income payments as part of organic farming scheme (cont.)

Advice and information	Conversion plan to be carried out by approved adviser.
Training and education	Support is available for education and holding of courses under the Danish Law. Course development grants and demonstration farms may be 2078/92 supported (STAR, 1996), within the framework of the Danish Law.
Research and development	Support is available for research and experiments, among others, field experiments and other matters that are especially important for the development of organic agricultural production and marketing of organic products.

Development support

Projects were supportable until 1993 (last year of intake) at three levels:

- a) < 40% of extra costs for developmental projects;
- b) 40% of extra costs for projects where it is assumed that it is enough to carry the project through; and
- c) > 40 % of extra costs for projects carried through by research institutions and for informational and educational projects. Support for extra costs covers: wages, extension, materials and special equipment for the project, costs for investigation of marketing conditions, development of marketing strategies, marketing planning, test marketing and launching. The Agricultural Directorate can support extension which is co-ordinated under the Co-ordination Council for the Organic and Biodynamic Agriculture.

Distribution of development support 1987-1992

	MDKK
Collection and processing of organic produce	18
Information and PR activities	20
Extension	14
Research and development	46
Total	98

Source: Dubgaard and Holst, 1994 (based on Danish Ministry of Agriculture, 1993, Forslag til lov om ændring)

6.1.5 Combinations between organic farming and other agri-environment measures

Optional (There were no alternative options for the 1987 scheme)

6.1.5.1 Main requirements and payment levels for combinable or competitive agri-environment measures

	Measure	Main requirements	Typical 1997 payments (DKK/ha)	Relationship to organic
1	40% reduction of N-fertilisers	Reduction of N-fertiliser use to 60% of specified levels on > 0.3 ha	500-950 depending on spr. barley yield	Not combinable/ Competitive
2	Cultivation without use of pesticides	No plant protection products except glyphosate and products to eradicate wild oats.	600-700 depending on spr. barley yield	Not combinable/ Competitive
3a	Grassland/rotation (originally 2 separate schemes: maintenance of grassland and conversion of arable land)	> 1 ha, plots > 0.3 ha, no plant protection products; manure budgets, area must be grazed (only horses or ruminants) or mowed (restricted dates), no irrigation or re-ploughing Level 1 (L1): < 80 kgN/ha, Level 2 (L2): No ferts., < 1.4 LU/ha	Level 1: 815-1 500 Level 2: 1 300-2 150 depending on spr. barley yield	Combinable (not on same land)
4	Rye grass in cereal fields (1994 – Italian rye grass only; subsequently any rye grass)	no fertiliser from harvest to 15/2; sowing before 15/5; ryegrass must remain until 15/2.	750-1300 depending on spr. barley yield	Combinable
5	12 m unsprayed buffer zones along water courses and hedgerows	No plant protection products; No fertilisers except where specified to develop target cover.	1.75/metre (= 1458/ha) (county supplement payable pre 1997)	Not combinable Competitive
6a	20 year set-aside of arable land	No agric. production. Cutting and clearing permitted. No plant protection products, no fertilisers except for establishment, no grazing (extensive grazing for surface clearance permitted), no irrigation, < 5 ha.	2 780-5 000 depending on spr. barley yield	Combinable (not on same land)

Main requirements and payment levels for combinable or competitive agri-environment measures (cont.)

Measure	Main requirements	Typical 1997 payments (DKK/ha)	Relationship to organic
6b Set-aside of grassland for 20 years	As 6. Land > 0.3 ha, 50% > 20m wide. Limited to water protection zones and where arable land for set-aside not available.	1 500	Combinable
7 Extensive grassland - management of grass and nature areas by grazing, hay making or clearing	5 or 20 years. Land > 0.3 ha, 50% > 20m wide. No cropping, no game shelter, no irrigation, no plant protection products, no cutting in bird breeding period, no grazing except horses and ruminants. If area kept by clearing and hay harvest, then > 1 hay cut/year	Level 1 (grazing) 500 – 1 000 Level 2 (hay cut) 200-575 Level 3 (clearing) 1 000 – 2 300	Combinable
8 Reduced drainage/raised water level	No fertilisers, max. 1.4 LU/ha Individual management agreements	0 - 2 300 (individual case)	nd
9 Cultural landscapes	nd (new measure)	900	nd
10 Public access	No fertilisers or pesticides, 4 levels: D1: open area for public access D2: open footpath with facilities D3: as D1 and D2 on set-aside land Individual management agreements	D1&D3: 250-300 D2: 1 000-1 750 D2: 1.75/m	nd

Source: Deblitz and Plankl (1997) amended based on STAR, 1997.

nd= no data available

The original scheme as set out in STAR (1994) envisaged most schemes being available nationally, but with a supplement (23 ECU/ha) payable in environmentally sensitive areas. The base payments were set highest for 1994, in most cases falling by 10-20% annually in two steps to lower levels for the 1996-1998 period. Significant revisions introduced in 1997 (STAR, 1997), including some new measures (2, 9 above), the inclusion of former county measures in the national programme, and modifications to some payment rates. (Revised payment rates are the ones shown above). Environmentally friendly farming scheme options are now all restricted to environmentally sensitive areas – the organic farming scheme is the only one available nationally and which still qualifies for an ESA supplement.

6.1.6 Public expenditure and EU contribution for organic farming and other agri-environment measures (MDKK)

Previous organic farming schemes

Scheme	Year	1987	1988	1989	1990	1991	1992	1993
15 Converting and continuing organic farming measures	Budget	nd	nd	nd	nd	nd	nd	nd
	Actual	0	4.1	5.7	5.1	11.2	3.6	2.4
	EU%	0	nd	nd	nd	nd	nd	nd
16 Organic farming development projects	Budget	nd	nd	nd	nd	nd	nd	see
	Actual	0.1	8	38.6	18.2	4.8	27.5	next
	EU%	nd	nd	nd	nd	nd	nd	table

nd = no data available

Agri-environment programme (2078/92 and related) measures

Scheme	Year	Forecast						
		1993	1994	1995	1996	1997	1998	1999
Farming in ESAs (not 2078/92)	Budget:	nd	nd	nd	nd	na	na	na
	Actual:	20.6	20.6	12.3	3.4	na	na	na
	EU%:	0	0	0	0	na	na	na
1-10 Environmentally friendly farming	Budget	nd	nd	nd	nd	nd	52.1	45.7
	Actual	0	9.1	15.4	35.9	50.7	na	na
	EU%	50	50	50	50	50	50	50
11-14 Converting and continuing organic farming measures	Budget	see	see *	see *	see *	see *	50.8	44.7
	Actual	above	13.5	28.4	50.4	70.6	na	na
	EU%	table	50	50	50	50	50	50
Total 2078/92 (measures 1-14)	Budget	nd	nd	nd	nd	nd	102.9	90.4
	Actual	0	22.6	43.8	86.3	121.3	na	na
	EU%	50	50	50	50	50	50	50
16 Organic farming development projects (not 2078/92)	Budget	see *	see *	see *	see *	see *	nd	nd
	Actual	27.6	27.1	32.0	71.7	na	na	na
	EU%	0	0	0	0	nd	nd	nd
Organic farms and projects 1993 budget ¹	Budget	40.2	41.3	42.1	39.1	176	157	204

Source: 2078/92 data: 2078/92 statistical reporting by Member State to European Commission

Values at 15/10 each year. Forecasts based on existing commitments, excluding new entrants. 1997 and 1998 organic and total figures have been adjusted to account for postponement of max. 40.3 MDKK from 1997 to 1998 due to computer payment problems.

na = not applicable, nd = no data available

¹ Figures from the budget in the proposal of the law in 1993, the figures cover developmental projects, demonstration projects, conversion and continuing organic farming all together

6.1.7 General comments

In March 1995, the Minister of Agriculture and Fisheries produced the "Action Plan for Promotion of Organic Food Products in Denmark" with 65 recommendations. The recommendations can be divided into 5 parts:

1. make conversion to organic farming attractive, to achieve 200 000 ha (ca. 5% UAA) by 2000
2. secure the demand for organic products
3. intensify research, development and education within organic food production
4. remove barriers for a sound organic development
5. secure the implementation of the Action Plan for promotion of organic food products in Denmark

The starting point in the Action Plan was that consumer demand for organic products should be fulfilled and that the organic market should develop on the basis of the market economy.

(In January 1996, a white paper from the Council of Nature 'Environment and EU Agricultural Policy' (No. 1309) was published. This stated that organic farming is also valuable because it is an environmentally-friendly form of production which also provides a basis for support.)

In June 1995, the Ministry of Agriculture and Fisheries assessed what has been done in relation to the recommendations so far (before the plan). In December 1995 and February 1997, the Ministry followed up on the assessment of the Action Plan. Some of the most important activities arising from the Action Plan that have taken place in 1995 and 1996 are mentioned below.

Assessment December 1995:

- Organic research station, Rugballegaard at Bygholm in Horsens
- Organic research centre at Foulum
- Survey started on consequences of a large-scale conversion (15-20%) to organic farming
- 100 MDKK earmarked for organic research during the next 4 years
- High priority to organic extension is introduced in a bill concerning agricultural extension
- Co-operation established between industrial caterers and farms in conversion
- Organic food products become part of an action plan for public green purchase
- Classes for retailers concerning organic food products are introduced
- 25 MDKK earmarked for development of organic products in 1996
- Proposal of support for organic farmers without milk quota

- Administrative practice changed so that the conversion period is reduced after set-side

Assessment February 1997:

- High priority to extension concerning working environment for all farmers (28 MDKK 1995-1998)
- New survey on consequences of a large-scale conversion to organic farming (4.3 MDKK 1997-2000)
- Harmonisation of organic inspections is established
- According to a budget settlement, organic farmers do not have to pay for inspection from July 1996 to the end of 1997
- Support for organic farmers in ESAs is raised
- 1 MDKK is earmarked for a research professorship at the Royal Veterinary and Agricultural University
- Refresher courses for organic farming are introduced (4 weeks)
- From 1997 onwards 90 % support is available for organic extension
- 125 MDKK is earmarked for organic conversion of society (not farming) i.e. green organic label for non-food products and blue organic label for fisheries products, organic purchase agreements, organic building.
- 2.9 MDKK earmarked for organic statistics
- Simplification of the organic farming application
- Information meetings about organic farming throughout the country.

In November 1996, the Council of Organic Agriculture made a statement of the affairs: the Council found that the follow up on the Action Plan had been very successful overall. Most of the 65 recommendations had been carried out and an effort was being made to carry out the remaining ones.

6.2 Impact of mainstream agricultural support measures on organic farming

6.2.1 Actors

Not applicable

6.2.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Not applicable

6.2.3 Variations in mainstream measures implemented

All mainstream measures applied except male calf processing scheme

Pesticide tax: 3% of wholesalers' turnover introduced in 1987, increased to 15% for herbicides and fungicides, and to 37% for insecticides and soil disinfectants, from 1996.

6.2.4 Set-aside management requirements and implications for organic farming

No special conditions apply for organic farming. The general set aside rules include:

- No pesticides, fertilisers, manure or irrigation permitted.
- Vegetation has to be established by 1st October at latest.
- Rye grass in cereal fields (with support from the Directorate of Development) is allowed.
- Species that are friendly for bees and game are allowed in set-aside.
- Holes in the vegetation must be covered if set-aside is continued after a year.
- Mowing is only allowed in certain cases and herbage may not be used for agricultural purposes or for sale.
- Only activities which would be possible on a normally cultivated field are accepted on the areas that are set-aside, i.e. hunting, exhibitions, rallies, parking place, military exercises.
- Permanent set-aside schemes: 20 year set-aside at 1st September can be counted as part of compulsory set-aside the following year, but arable area payments cannot be obtained at the same time.

6.2.5 Impacts of other measures on organic farming

According to the EU-Directorate none of the measures have had any particular impacts on organic farming. Little attention is paid to the specific needs of organic farmers in the mainstream CAP Reform. Organic farmers can apply for the premiums as any other farmer.

LØJ claims that the arable area payments favour conventional farmers, because the reform crops do not fit in an organic farm and because support is not given for grassland (which you need to have on an organic farm). Others (for instance Flemming Just, SUC who works with environmental friendly agriculture) finds that the arable area payments have not effected the organic farmers especially, because organic farmers do not have to set-aside as much land as conventional farmers (since they grow less of the reform crops) and because they are supported by the organic farming measures and get additional price for their products.

6.2.6 Special provisions for organic/converting producers

None specifically for organic farmers.

Some additional milk quota was made available to farmers converting or continuing organic in 1995 and 1996.

6.2.7 Environmental cross-compliance measures and implications for organic producers

All farms over >10 ha and all organic farms > 1ha must:

- Complete rotation and fertiliser plans before 31st March
- > 65% of fields must be covered with a crop until at least 20th October
- The minimum demand for the utilisation of N in manure in the year of application is
 - Pig slurry 45% (50% from August 1997)
 - Cattle slurry 40% (45% from August 1997)
 - Loose house FYM 15%
 - Other manures 40%
- The maximum application of N in manure and fertiliser must not exceed need of crop in question
- Liquid manures not allowed between harvest and 1st February except on established overwintering pasture fields and fields where winter rape will be sown. In such cases, liquid manure may be spread up to 1st October.

6.2.8 Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming

No effects identified

6.2.9 Impact of national or regional aids on organic farming

Not applicable

6.3 Marketing and processing schemes

6.3.1 National/regional legislation which provides/provided support for market and processing

1. Law No. 480, 12.06.96 on support for agricultural and fisheries products, amending law No 617 and Order No. 934, 25.10.96 on support for development of agricultural and fisheries products.
2. Law No 295 on the Green Fund (27.04.1994) and Order No 54 on the Green Fund (02.02.1996); Market development of the organic sector has (among others) been funded by the “Green Fund” administered by the Ministry of Environment and Energy.
3. Order no 226, 25.3.1997, on support for organic farming etc. (includes Developmental projects such as marketing)
4. Law No.363, 10.06.1987 on organic farming (former organic farming support scheme)

6.3.1.1 Objectives of national/regional legislation

1. Provides support for the development and marketing of primary agricultural products, for the development and marketing of processed agricultural and fisheries products and for the collective marketing of agricultural and fisheries products. Organic farming and processing is supported with up to 50 % of the additional costs (for non organic farming the maximum level of support is 40 %). National rules for organic farming and for marketing of organic products or another farming method based on reduced pesticide or fertiliser use are a requirement of the payments. Support is given to owners, tenants, groups or co-operations of owners of farms, manufacturers, institutions etc. If you get support from other sources you are not eligible for this scheme, except for support under EU measures that demand national co-financing.
2. The main objective of the Green Fund is to support initiatives with the purpose of committing the inhabitants to promote an environmental and ecological development , including the development of urban ecology. The following are examples of types of activities and initiatives funded by the Green Fund:
 - Innovative initiatives concerning environment, nature and resources;
 - Activities on urban ecology which is not supported by other programmes;
 - Activities that promote environmentally-friendly or organic consumption patterns;
 - Initiatives on information, education and exchange of experience concerning these activities;

- Network developing of persons and organisations concerning these activities.
3. Support is available for developing projects, concerning collection, manufacturing and marketing of organic agricultural products. Support is paid for additional costs of the project such as wages, extension, buildings, equipment, materials, costs for analysing and developing marketing and participation in conferences. If you are receiving support from other sources you are not eligible for support under this scheme, except for support under EU measures that demand national co-financing.
 4. The objective of the law, among others, is to provide support for developmental projects including collection and processing of organic produce, information and PR activities, extension and research and development. Support for extra costs covers: wages, extension, materials and special equipment for the project, costs for investigation of marketing conditions, development of marketing strategies, marketing planning, test marketing and launching. The Agricultural Directorate can support extension which is co-ordinated under the Co-ordination Council for the Organic and Biodynamic Agriculture.

6.3.2 Organisations/projects which have received funding from market and processing schemes (EU, national and regional)

Green Fund:

- Initiative for establishment of an organic consumer-producer network at “Nørrebro”, 1997
- The association of organic market days, Project “Rabarberlandet”, 1997
- The co-operative shop “Spidsroden”, 1997
- The organic co-operative gardening of Barritskov, 1996
- Green shop, 1996
- IFOAM 96, 1996
- The company for promotion of organic town-markets, 1995
- The organic farming organisations, 1995
- IFOAM 96, 1995

Projects have also received support under Orders 934 and 226, but no listing of projects is available.

Provision has been made for the support of the organic milk sector in the Single Programming Document of EC Reg. 866/90 although no recipients have been identified.

6.3.3 Organisations active in market development within the organic sector

The following include some of the significant actors in the field of market development:

- The Organic Service Centre
- The Association of Organic and Biodynamic Milk Producers in Denmark
- Biodania (organic vegetable producers)
- Økosvin (organic pig producers)
- Økovest (regional organisation of primary producers and other people with interest in organic farming, e.g. consumers)
- The Association of Organic Agriculture (LØJ)
- FDB (large Supermarket chain)
- MD Foods (largest Dairy)
- Danish Slaughterhouses
- Favør (supermarket chain)
- Green Information (public information centre)
- The green co-operation in the town of Vejle, 1997
- The organic project, 1996

6.3.4 Public expenditure (MDKK)

Project	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Regulation 934 (expenditure on organic projects)				3.9 ¹	3.2 ¹		
Total				3.9	3.2		

¹ There are no separate figures for organic farming except for 1996 and 1997

38 MDKK was awarded for collection and processing of organic produce, and information and PR activities under Support for developmental projects 1987-1992.

There is flexibility concerning the allocation of money between objectives in Order 934. In years where only a little money is spent on conversion, there is more available to be used on other areas such as market development and research.

6.3.5 General Comments

In March 1995, the Minister of Agriculture and Fisheries produced the "Action Plan for Promotion of Organic Food Products in Denmark" with 65 recommendations. The recommendations can be divided into 5 parts:

1. Encouraging conversion to organic farming, to achieve 200,000 ha (ca. 5% UAA) by 2000;
2. securing the demand for organic products;
3. intensifying research, development and education within organic food production;
4. removing barriers for a sound organic development;
5. securing the implementation of the Action Plan for promotion of organic food products in Denmark.

Some of the most important developments arising from the Action Plan in the area of developing the market for organic products that have taken place in 1995 and 1996 are mentioned below:

Assessment December 1995:

Organic food products become part of an action plan for public green purchase

Classes for retailers concerning organic food products are introduced

25 MDKK earmarked for development of organic products in 1996

Assessment February 1997:

125 MDKK is earmarked for organic conversion of society (not farming) i.e. green organic label for non-food products and blue organic label for fisheries products, organic purchase agreements, organic building.

(See section 6.1.7 for more details of the Action Plan)

6.4 Regional and Rural Development Schemes

6.4.1 National/regional legislation

None

6.4.2 Organisations/projects which have received funding from regional and rural development schemes

All projects are funded by the Agricultural Fund. The money is typically awarded to farms, for example for a new buildings or machinery.

The organic sector has received funding through Objective 5b

6.4.3 Organisations active in regional or rural development within the organic sector

- Initiative for establishment of an organic consumer-producer network at "Nørrebro", 1997
- The association of organic market days, Project "Rabarberlandet", 1997
- The co-operative shop "Spidsroden", 1997
- The organic co-operative gardening of Barritskov, 1996
- Green shop, 1996
- Økovest (Regional organisation of primary producers and other people with interest in OF, e.g. consumers)
- The green co-operation in the town of Vejle, 1997
- The organic project, 1996

6.4.4 Public expenditure (MDKK)

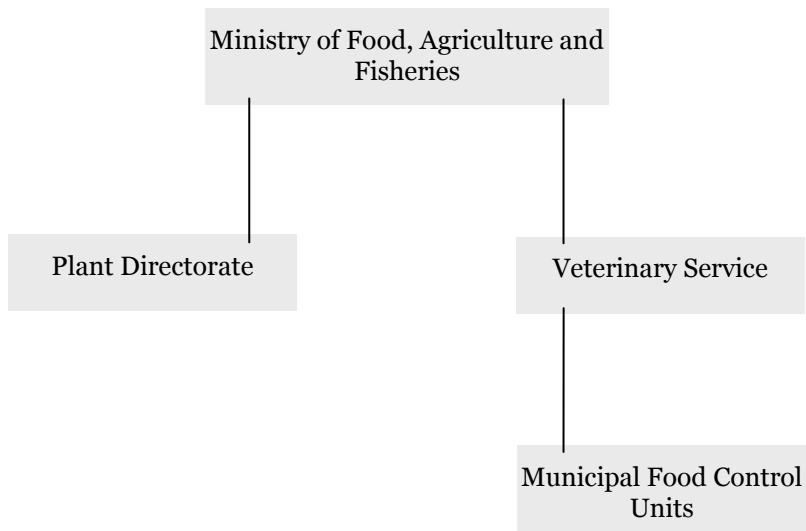
The figures are for commitments so there might be differences to the actual amount spent. This support will be reduced to 25 % in December 1998 because there have been too many applicants.

Project	Year	Forecast						
		1993	1994	1995	1996	1997	1998	1999
Objective 5b	Budget:			0.5	14.32	28.89	nd	nd
	Actual:			nd	nd	nd		
	EU %:			50%	50%	50%		
	EC Reg:			Obj 5b	Obj 5b	Obj 5b		

6.5 Organic production standards, inspection and certification

6.5.1 Actors

6.5.1.1 Main bodies involved in administration, inspection and certification (EC Reg. 2092/01 and state standards)



Since the introduction of State Standards for organic farming in 1987 (see below), Denmark has had a state control and certification system and a state logo. All organic operators who wish to market their products as organic must be authorised by this system.

The State Standards and EC Reg. 2092/91 are administered through the Ministry of Agriculture, Food and Fisheries. The Plant Directorate inspects all producers and the Veterinary Service inspects processors and retailers through the Municipal Food Control Units. All these organisations are government bodies.

The Council of Organic Agriculture, composed of representatives from the government, organic movement and consumer and producer organisations, advises the Ministry on standards and certification issues, among other things.

6.5.1.2 Private sector bodies operating their own set of standards

In 1981, the LØJ introduced standards for organic farming, but following the introduction of the government control system in 1987 (see below) became less involved in the inspection of farmers. The standards are in line with EC Reg. 2092/91 and are updated every year to be the platform from which LØJ participates in the work concerning the State Standards. A recent development is the introduction by LØJ of its own control system. In the coming years LØJ will work for common standards and will seek to ensure that organic farmers play an active part in setting the standards. Biodynamic products are certified by the Biodynamic Association according to Demeter standards.

6.5.2 National definition for organic farming (not EC Reg. 2092/91)

Order No. 830 on Organic Farming (certification of farms), 15.12.87 under Law on organic farming No 363 10.06.1987

This law sets out precise guidelines for the production, processing and marketing of organic products. Operators are required to undergo inspection by the state one or two times a year. The State Standards for organic production are based on the IFOAM Basic Standards. The implementation of EC Reg. 2092/91 has resulted in some amendments to the State Standards: the conversion period was extended from one year to two and certain rules about processing have been relaxed slightly (Willer, 1997)

6.5.3 Prosecutions in breach of 2092/91 legislation or any other national legislation

The Plant Directorate and The Veterinary Services have both prosecuted operators who did not meet the required organic standards.

In 1995: 250 public prosecutions by the Plant Directorate.

In 1996: 238 public prosecutions by the Plant Directorate.

In 1996, the Plant Directorate raised about 10 penalty cases and two farmers lost their certification because of severe offences.

6.5.4 Financial support towards inspection and certification costs

Inspection and certification was free of charge to farmers up to 1994. Since then, farmers have received a payment of approximately half of their inspection costs. From July 1996 to the end of 1997 organic farmers do not pay for certification according to a budget settlement. Still under discussion is a budget settlement about whether organic farmers have to pay for certification in 1998 and a proposal that, as part of a new

pesticide scheme, pesticide taxes among others should be exempt for organic farmers.

6.5.5 Average Inspection and certification costs (DKK)

Producers

Certification: 330 p.a.

Administration: 313 p.a.

Inspection cost per ha: 13 p.a.; per LU: 16 p.a.

Manufacturers

Certification: 330 p.a.

Administration: 313 p.a.

Inspection costs per ha: 13 p.a.; per LU: 16 p.a.

Processing and sales: Producers pay for the inspection per hour : between 368-600 DKK according to the length of inspection.

6.5.6 Public expenditure for the administration, inspection and certification

Figures for public expenditure for administration, inspection and certification are not available.

6.5.7 General comments

1987 Law:

The Plant Directorate administers certification of organic farming. The Plant Directorate collects fees to cover the administration costs and consults the Council of Organic Agriculture in certain circumstances.

The conditions for certification are: There has to be a crop rotation plan and a manure plan according to order no. 655, 9.10.1987, and there also has to be a conversion plan for the whole farm. All plans should be attested by an approved consultant. In Denmark, whole farm conversion is required which means that both plant production and livestock production have to be converted together.

Plant Production: up to 31.12 1990 conversion was completed after 1 year, after that conversion takes 2 years, organic and conventional production on the same farm is not allowed, only manure, liquid manure, green manure and 25 % conventional manure is allowed. Fertilisers are not allowed. Specified substances are allowed for controlling pests and weeds.

Animal Husbandry: egg and milk production is certified as organic after 30 days with organic farming, meat is certified as organic after the animals have been under organic production for a year (unless the animal is born in an organic production unit). Organic and conventional production on the same farm is not allowed. At least 75 % of the fodder should be organically grown. Preventive use of antibiotics is not allowed. After medicinal treatment an animal is seen as conventional and must fulfil the above mentioned obligations again (30 days and 1 year). Special conditions for animal welfare must be met.

In 1992, the 1987 law on organic farming was evaluated. The emphasis was on the developmental projects and the conversion support. In connection with this the certification system was also assessed. The governmental role as controller of organic farms is accepted by the farmers as 86% find the requirements fair and only 7% find them too demanding. The national organic logo (Ø-label) has been widely accepted, used by 72%. If they could chose between them, 51% would prefer the organic logo and only one third the LØJ symbol.

An organic certification for non-food products (green Ø-label) and another organic certification for fisheries (blue Ø-label) will be introduced. The standards are not set yet, but preparations are ongoing.

6.6 Advice and extension

6.6.1 National/regional programmes

The first legislation on organic production in DK (Law on ecological agriculture, 1987) aimed to further ecological incl. bio-dynamic production. This law specifically mentioned that producers would get support from special organic advisors (5-6 advisors throughout the whole country, whose wages were paid as part of the support for ecological agriculture under the law). It also included a project on interdisciplinary advice, where organic advisors worked closely with specialist advisors for conventional agriculture so that the organic farmers could benefit from their expertise. Under the law also an information project, with the aims to give farmers enough background knowledge for the decision to convert and to inform consumers and retailers about the advantages of organic products was supported.

The current and former regulation on Organic Farming (under EC Regulation 2078/92) states that conversion plan should be carried out by an advisor who is approved by the section of Ecology at the Danish Agricultural Advisory Centre. Under the 2078/92 programme support is available for the preparation of educational and information material (Article 6(1) and demonstration projects (Article 6(2)).

Under Order No 226 (25 March 1997) on support for Organic Farming includes developmental projects such as information and extension.

Order No. 1100 (13. December 1996) on support for the Agricultural Extension Services guarantees a higher support rate for organic extension as compared to conventional (60% instead of 30% of costs).

6.6.2 General provision of extension

Denmark incorporated the advisory provision for organic farmers into the national extension service, the Danish Agricultural Advisory Centre (DAAC) run by the farmers' unions. There are approximately 50 local advisors in the regional offices specialising in advising farmers on conversion (incl. conversion planning) and organic production, a larger number of advisors have shown some interest in getting involved. The local organic advisors get technical back-up from experts in organic farming from the DAAC national office. Two people in the section Ecology co-ordinate activities for organic farming and ensure close contacts with its other seven departments (Crops, Dairy and Cattle, Pigs, Poultry, Building/Machinery, Accounting/Management) and other organisations.

Farmers have to pay for all advice, (approx. 350-450 DKK per hour) but 60 % of their costs of organic extension are supported. In addition the Danish Advisory Centre gets funds from central sources for developmental projects, such as the back up services and the running costs (wages etc.) for the two national organic experts.

Demonstration projects supported under EU-Regulation 2078/92 have to fall within the overall objectives of the agri-environment programme and can benefit from grants for costs that are not eligible under Article 2(1) of the programme. The Ministry of Agriculture is responsible for the dissemination of the information about the projects.

The certification bodies offer limited advice as part of the inspection process.

The green foundation (under the Ministry for Agriculture and Fisheries) have funded a project for public information of organic farming.

6.6.3 Public expenditure (MDKK)

	Forecast						
	1993	1994	1995	1996	1997	1998	1999
Total extension ¹	2.4	nd	6.5	4.5	nd	nd	nd

nd = no data available

¹ Approximately 2.8 million DKK per year is given as direct support for consultants to give subsidised advice in organic farming, the remainder is spent on support of backup service and central resources.

The overall budget for the Danish Agricultural Advisory Centre consists of 80% extension fees, 13 % public support, 8% membership fees of the farmers Unions.

14 MDKK was awarded for extension between 1987 and 1992 under support for development projects.

The overall budget for the demonstration projects has been estimated as 5 in 1997, 10.5 in 1998, 14 in 1999 and 15 MDKK in 2000, but the particular support for organic projects among these is not known.

6.6.4 General comments

Until 1995 there was a special team of organic advisers who were centrally employed (at DAAC) and covered the whole country. During 1995 more advisers were trained in organic farming, leading to the current situation of approximately 50 specialist advisers in the regional offices.

According to Erik Fog (Chairmen of the Ecology department in the Danish Agricultural Advisory Centre) the important challenges for the future are:

- to organise co-operation of the various specialists in the advice of one farm, especially during the conversion period;
- to give advice on marketing;
- how to improve on the ecological ideas at farm level, such as alternative energy and
- to provide interesting and stimulating information for established organic producers.

6.7 Training and education

6.7.1 National/regional programmes

Since 1997, organic farming forms part of the general curriculum for agriculture at technical level and at further education colleges in the field of agriculture (Order no. 597, (9.7.1997) on education as skilled farmer and order no. 596, (9.7.1997) on farming education).

Education and training in organic farming is part of the Danish implementation of EC Reg. 2078/92. Under this programme support is available for the preparation of educational and information material (Article 6(1); STAR document VI/7484/96).

6.7.2 General provision of training

- The Organic Farming School (den Økologiske Landbrukskole, Åbybro) a technical school specialises in organic farming. Since 1982, the school has educated a total of about 650 students.
- At all technical schools students can now choose organic farming as a specialist subject.
- The Agricultural University in Copenhagen has dedicated two chairs to the field of organic farming (animal husbandry and plant production), it will offer the European BSc Ecological Agriculture from 1998 and runs a Centre for Ecology and the Environment that co-ordinates activities in the field of organic farming.
- The Organic Farming School and some other technical schools offer 4 week introduction courses in organic farming for farmers. For farmers who want to apply for subsidised loans, attendance is compulsory. The course is 90% subsidised by the Danish Directorate for Development in Agriculture and Fisheries, so that the farmers pay only around 2 000 DKK for the course.
- Several schools also offer a variety of 3-5 day courses on various topics, such as ecological plant production, new relations and visions for the ecological farmer, ecological production of fruit and berries/greenhouse crops, cattle production, sow keeping, milk production, small holdings etc., 3 to 5 day courses are also offered for advisors.

6.7.3 Public expenditure (MDKK)

	1993	1994	1995	1996	1997	Forecast	
	1998	1999					
Total training ¹	5	5	5	5	5		

¹ The estimate is based on the funding that the organic farming school receives for students and farmers that are attending their courses.

The total budget for course development and training courses under the EC Reg. 2078/92 has been estimated as 3 MDKK in 1997 and 5 in each year between 1998 and 2000. The share of courses that deal specifically with organic farming is not available (STAR document VI/7484/96).

6.7.4 General comments

The national association of organic farmers (LOJ) suggested in a preliminary comment on the Commission Report to the Council of Ministers and the EU-Parliament on implementation of the Agri-environment Regulation 2078/92 (KOM (97) 620 that in future information activities related to organic farming should qualify for co-financing by the EU as they are seen as crucial in achieving the general goals of the agri-environment programme.

6.8 Research and development

6.8.1 National/regional programmes

1988: Demonstration project for organic farming at Research Centre Foulum

1993-97: A broad research programme for organic farming.

The Centre for Organic Farming Research (Forskningscentre for Økologisk Jordbrug, FØJO, Foulum) was established in 1995. Main objectives of the Centre are:

- to co-ordinate the organic farming research in Denmark;
- to start and maintain research of organic plant production and animal husbandry and the connection between them on farm level;
- to investigate the importance of organic farming for environment and society;
- to educate researchers connected to the projects;
- to provide in service-training of advisors and teachers in the primary production;

- to disseminate research results.

At the Centre there are currently 25 different projects under 3 programmes:

Programme 1: Strategic, biological and environmental aspects.

Programme 2: Agricultural and utility oriented research and development projects on organic farming.

Programme 3: Development of systems for organic plant production.

6.8.2 General provision of research

An increasing amount of state funded research is carried out by various centres and some universities. The Øko-guide 97/98 lists 37 projects by the following Universities and Research Centres (Borgen, 1997).

- The Royal Veterinary and Agricultural University (Centre for Ecology and Environment, CØJ)
- Roskilde University Centre, Institute for Economy and planning
- The Technical University of Denmark, Institute for Technology and Society
- South Jutland University Centre
- The State Department for Agricultural economy (SJFI)
- Research Centre Risø
- The State Laboratory for noxious animals.
- The Pharmaceutical University in Denmark
- The University of Århus
- National Environmental Research Institute
- Aalborg University
- Natural History Museum of Denmark
- The University of Copenhagen
- Danish Pest Infestation Laboratory

6.8.3 Public expenditure (MDKK)

	1993	1994	1995	1996	1997	Forecast	
	1993	1994	1995	1996	1997	1998	1999
Total research ¹	9.1	19	12.2	54.9	46.1	26.6	nd

nd = no data available

¹ 46 MDKK was awarded for research and development under support for development projects between 1987 and 1992.

6.8.4 General comments

In 1995 the National Strategy for Agricultural Research and the Action Plan for Organic Farming both pointed out that there was a need for more research on organic farming.

In the National Strategy for Agricultural Research it was suggested to make a priority of organic farming by strengthening the professional environment, and that this could be done by establishing a centre that linked the different research institutions and professional groups.

In the Action Plan it was suggested to establish an organic research station.

These suggestions led to: The Research Centre on Organic Farming, 100 MDKK for organic farming research (1996-99), an organic research station (Rugballegaard); formal research co-operation amongst existing organic farms, a professorship on organic farming at the Royal Veterinary and Agricultural University.

6.9 Future policy developments

For details of Action Plan see Section 6.1.7.

Possible introduction of a “super organic certification” with stricter standards than the ordinary EU organic certification. The Danish organic farmers fear that the EU-certification will water down the national organic standards/quality.

There will be political and consumer support for organic farming, but doubts on how to carry it out. For the time being a fertiliser tax on conventional farming is the most discussed regulation, but also further support for organic farming is probable.

Organic farmers emphasise that the environmental benefits of the accompanying measures are very small, they therefore hope that there will be more direct support for organic farmers instead.

An organic certification for non-food products (green Ø-label) and another organic certification for fisheries (blue Ø-label) will be introduced. The standards are not set yet, but preparations are ongoing.

Direct support to organic farming will be introduced as part of an action plan against pesticides (tax on pesticides) and against water pollution (extra support for conversion). A commission on pesticide free agriculture has been set up. The commission seems not very inclined to support organic farming, but it has been pushed to analyse scenarios including 100% conversion to organic farming. Organic farming as part of agri-environmental regulations thus seem to be a recent new development with some potential for raising economic support.

Statens Jordbrugs- og Fiskeriøkonomiske Institut (DIAFE) commissioned a report into the impact of widespread conversion to organic farming (Wynen, 1998).

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STAR (1996) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/7484/96 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Establishes demonstration and training courses including organic farming.)

STAR (1997) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/3758/97 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Introduces forage and pig supplements for organic arable farms).

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7.1 Organic farming support under agri-environment and extensification programmes

7.1.1 Actors

Ministry of Agriculture and the agricultural departments of the CCAA

7.1.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Not applicable

7.1.3 Agri-environment schemes (measures) implemented

	Measures	Start year	Regions	Number of farms 1997	Land area (ha) 1997
<i>Horizontal programmes</i>					
1	Extensive cereal systems (fallow land)	1996	Andalucía, Aragon, Castilla y León, Murcia	15 000	350 000
2	Training, extension and awareness raising	1996	Andalucía, Argon, Asturias, Castilla y León, Extremadura, Murcia , Navarra, La Rioja	100 projects	na
3	Protection and maintenance of indigenous stock breeds in danger of extinction	1996	Andalucía, Aragon, Asturias (1995), Islas Canarias, Castilla y León, La Rioja	2 000	na
4	Promotion of organic farming	1996	By 1997, all except Cataluña (1998), Cantabria (1998), Galicia (1998), Pais Vasco)	1 500	50 000
Sub-total horizontal programmes				18 500	400 000

Agri-environment schemes (measures) implemented (cont.)

Measures	Start year	Regions	Number of farms 1997	Land area (ha) 1997
<i>Zonal Programmes</i>				
5 National Parks and Environmentally Sensitive areas	1996	Asturias (1995), Islas Canarias, Castilla La Mancha (1993)	nd	nd
6 RAMSAR Agreement (wetlands)	1996	Aragon, Comunidad Valenciana	nd	nd
7 ZEPAS (bird protection areas)	1995	Asturias	nd	nd
8 Comunidades Autónomas (regional government areas)	1996	Asturias (1995), Islas Canarias, Castilla La Mancha, Castilla y León (1994), Murcia, Comunidad Valenciana	nd	nd
Sub-total zonal programmes			19 000	427 000
TOTAL			37 500	827 000

Sources: There are three different sources of central government data on the uptake of different measures to the end of 1997 (MAPA, 1998a; MAPA 1998b; and 2078/92 statistical reporting by member state to the European Commission). These differ from each other substantially, so that it is not possible to give accurate data here. The figures given are the authors' estimates based on an attempt to reconcile the three sources and represent at best an indication of the order of magnitude.

na = not applicable, nd = no data available

7.1.4 Details of organic farming scheme

7.1.4.1 Requirements and eligibility conditions

Farmers eligible to participate	Converting ☐ Continuing ☐
Organic certification requirement	☐relevant CCAA (regional government) control authority
Maximum size/payment limit	☐ Spanish law fixes a maximum payment per hectare according to the type of crop (e.g. 75 000 ESP/ha in protected crops) and the CCAA have an identical or similar limit. Some CCAA have fixed maximum aid limits per farmer and per year, such as Navarra (0.2 MESP/farm), Andalucía (0.8 MESP/farm), Islas Baleares (0.4 MESP/farm) and Madrid and Castilla La Mancha (1 MESP/farm).
Minimum size/payment limit	☐ Spanish law fixes minimum surface areas according to the type of crop and all the CCAA have identical limits (see organic farming payments table below). The minimum payment limit is 15 000 ESP/ha in grassland
Stocking rate limit	-
Eligible crop restrictions	☐
Organic management of livestock	☐ Organic management of livestock is required, although the Royal Decree 51/1995 (replacement of Reg. 2092/91) does not cover aid per head of stock. Livestock enterprises managed organically in practically all regions follow the old Technical Regulations of CRAE pending publication of the EC Regulation on organic livestock production. Exceptionally, the authorities in control in Cataluña and Castilla y León have their own regulations for livestock.
Staged conversion possible	☐
Part farm conversion possible	☐ same crop may not be cultivated in conventional and organic parts of farm
Training and/or advice provided	-
Other restrictions	☐
Adjustments made to original scheme	☐ In general, it has not been necessary to make changes to the eligibility conditions. In Castilla y León, where the aid order was introduced in 1995 in accordance with the national scheme, the avalanche of applications from grassland farms led to modifications to eligibility conditions in 1996. Payments for grassland were limited to ca. 3.33 ha/LU, subject to control, or for marketable production of 1 000 kg hay/ha.

7.1.4.2 Regional variations

Yes - limited details provided (see above and below).

7.1.4.3 Payment rates for organic farming scheme (ESP/ha)

Year	Region	Land use type	Conversion (Year 1)	Min. ha	Continuing	Comments
1996	The majority of CCAA	Dryland crops	20 000	5	60 % of conversion rate	For converting farms: Year 1 - 100% Year 2 - 80% Year 3-5 - 60%
		Irrigated crops	25 000	1		
		Horticulture	40 000	0.5		
		Protected crops	75 000	0.3		
		Olives and vines	45 000	5		
		Dryland fruits	35 000	5		
		Irrigated fruits	60 000	1		
		Grassland	15 000	15		
1996	Aragon		60% of rate for each crop type		60% of conversion rate	I.e. no conversion supplement
1996	Islas Canarias	More crop types	Higher rate for each crop type			Further details not provided
1996	Castilla y León, Extremadura		Modulation of rate according to surface area			Further details not provided

STAR (1997) includes reductions for minimum areas, assumed to be effective from 1998, in order to give more small farmers the opportunity to participate in the scheme.

	Previous (STAR, 1994)	New (STAR, 1997)
Dryland crops	10	2
Irrigated crops	1	0.5
Horticulture	1	0.25
Protected crops	0.5	0.25
Olives and vines	10	1
Dryland fruits	10	1
Irrigated fruits	3	0.5
Grassland	25	5

The STAR (1994) values are higher than those in the organic payments tables, for reasons which are not clear at this stage.

7.1.4.4 Support other than direct income payments as part of organic farming scheme

Training and education	Supported under EC Reg. 2078/92
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7.1.4.5 Adjustments to the rates of payment since scheme was originally implemented

Some adjustments to rates of payment have been made at regional level, for example in Castilla y León. Owing to the large number of applications from large farms in 1995/96, the olive and vine and especially the grassland payment rates decreased in 1996/97. Moreover, a maximum surface area system was established for almost all types of crops. With this system, the payments are reduced to 1 000 ESP/ha, and even to 500 ESP/ha in the case of grassland, for medium and large surface areas.

7.1.5 Combination between organic scheme and other agri-environment measures

☐Optional

Organic farming schemes may be combined with other agri-environment schemes as long as their aims are different but compatible to each other and that the total aid does not go beyond the established limit. Organic Farming Aid is only incompatible with measure 4 (Protection of fauna and flora in wetlands rationalising the use of fertilisers and phytosanitary synthesis products, improvement of grasslands and maintenance of traditional water meadow crops) of the RAMSAR and ZEPAS wetlands (Royal Decree 928/1995).

7.1.5.1 Main requirements and payment levels for combinable or competitive of agri-environment measures

	Measures	Main requirements	Typical payment levels (ESP/ha)	Relationship to organic
1	Extensive systems in cereal lands	> 10 ha fallow, no establishment of grassland, no herbaceous arable crops on at least 5 ha; no stubble burning; restricted use of fertilisers and pesticides; control of livestock density; anti-erosion works; regional farming and pasturing schedules	5500 first 50ha: 100% next 50ha: 80% next 50ha: 70% next 100ha: 60% >250ha: 0%	Combinable
3	Protection and maintenance of indigenous stock breeds in danger of extinction	Maintain herd records for at least 5 years; membership of breed association; participation in programmes for genetic improvement.	10 000 ESP/LU	Combinable

Main requirements and payment levels for combinable or competitive of agri-environment measures (cont.)

Measures	Main requirements	Typical payment levels (ESP/ha)	Relationship to organic
5 National Parks and environmentally sensitive areas	1. Conversion of arable to extensive grassland 2. Reduction of stocking density 3. Protection of flora and fauna (bird steppes) 4. Protection of flora and fauna (wetlands) 5. Landscape conservation and fire prevention 6. Environmental protection (Canary Islands) 7. Saving irrigation water 8. Upkeep of abandoned land 9. 20-year set-aside 13. Demonstration projects	1. 52-172 (arable) 2. 182-385 (grass) 3. 6-260 4. 52-156 (grass) 5. 26-78 (grass) 6. 62-780 7. 142-328 8. 26-68 9. 156-520 13. not available	Combinable except with sub-measure 4
6 RAMSAR Agreement (wetlands)	As National Parks/ESAs measures 1,2,3,4,9 10. Public access	As above 10. not available	Combinable except with sub-measure 4
7 ZEPAS (bird protection areas)	See National Park/RAMSAR measures 2,3,4,5,8,9,10	As above	Combinable except with sub-measure 4
8 <i>Comunidades Autónomas</i> (regional government areas)	See National Park/RAMSAR measures 1,2,3,4,5,6,7,8,9,10,13 11. Integrated crop protection 12. Soil erosion control 14. Other production practices compatible with environmental demands and nature	As above 11. 130-338 12. 6-520 14. not available	Combinable except with sub-measures 4 and 11

7.1.6 Public expenditure and EU contribution for organic farming and other agri-environment schemes (MESP)

Scheme	Year	1995	1996	1997	1998	1999
1 Extensive cereal systems (fallow)	Budget	12 092	12 092	12 092	12 092	12 092
	Actual (a)	0	954	1 865	na	na
	Actual (b)	nd	906	2 221	na	na
2 Training, extension, awareness raising	Budget	640	640	640	640	640
	Actual (a)	0	151	812	na	na
	Actual (b)	nd	291	592	na	na
3 Rare breeds	Budget	529	529	529	529	529
	Actual (a)	15	120	264	na	na
	Actual (b)	nd	235	358	na	na
4 Promotion of organic farming	Budget	922	922	922	922	922
	Actual (a)	0	141	482	na	na
	Actual (b)	nd	853	1 511	na	na
5-8 Zonal measures	Budget	28 729	28 729	28 729	28 729	28 729
	Actual (a)	4 803	7 839	8 928	na	na
	Actual (b)	nd	7 085	6 387	na	na
Total	Budget	42 912	42 912	42 912	42 912	42 912
	Actual (a)	4 818	9 205	12 351	na	na
	Actual (b)	nd	9 369	11 069	na	na
	EU%	75%	73%	71%	70-75%	70-75%

Sources: Budget – Ministry of Agriculture; Actual (a) – Ministry of Agriculture (MAPA, 1998b); Actual (b) – 2078/92 statistical reporting by member state to European Commission.

na = not applicable, nd = no data available

As with the uptake data presented in Table 7.1.3, there are inconsistencies in the data from different sources, although the variability in financial expenditure data is not as great as for the uptake data, except for the organic farming data.

The budget (MESP) has been fixed for the 1994/2000 period. The % financed by the EU is 75/50:

The FEOGA-Guarantee finances 75% in Obj. 1 areas and 50% in the remainder (the complete CCAA of Madrid, Cataluña, Aragon, Navarra and La Rioja, almost the whole of País Vasco and Islas Baleares).

In the co-financed measures (all except the Specific Areas selected from the CCAA) the rest of aid up to 100% is divided into equal parts between Central Government (MAPA) and the CCAA, and thus each one of them will provide 12.5% in Obj. 1 areas and 25% of aid in the others. In the non

co-financed measure (Specific Areas) the rest of the aid up to 100% is provided by the relevant CCAA.

In the case of measures to be applied to the selected areas, the real cost is given for each of the actions developed separately from the measures, as is specified in the following table:

Measures	National Parks	Ramsar Wetlands	ZEPAS	Specific areas	Actual cost MESP'96
1. Conversion of arable to extensive grassland	☐	☐		☐	
2. Reduction of stocking density	☐	☐	☐	☐	
3. Protection of flora and fauna (bird steppes)	☐	☐	☐	☐	1 446.0
4. Protection of flora and fauna (wetlands)	☐	☐	☐	☐	639.5
5. Landscape conservation and fire prevention	☐		☐	☐	1 989.9
6. Environmental protection (Canary Islands)	☐			☐	170.2
7. Irrigation water restriction in wetland areas	☐			☐	12 354.7
8. Upkeep of abandoned lands	☐		☐	☐	83.3
9. 20-year set-aside	☐	☐	☐	☐	22.2
10. Public access		☐	☐	☐	26.7
11. Integrated crop protection				☐	24.6
12. Anti erosion measures				☐	
13. Demonstration projects	☐			☐	
14. Use of other production practices compatible with the environment				☐	
Rare breeds, landscape conservation, fire prevention and upkeep of abandoned lands					620.2
Rare breeds and organic farming					102.65

7.1.6.1 Reasons for adjustments to budget

The slowness of the government in starting the agri-environment programme in Spain during the 93/97 period, plus the lack of budgets, has resulted in only a small part of the budget appointed by the Commission being spent during this period, and the programme period was therefore postponed (i.e. 1993-1997 budget became 1995-2000 budget).

7.1.7 General comments

The application of Regulation 2078/92 in Spain has been slow and complex, due to the power sharing between central government and the *Comunidades Autónomas* (regional governments), as well as lack of experience in the design and application of this type of aid. For schemes implemented by central government, 50% (25% in Objective 1 regions) of the financing is supplied by central government, while the remaining 50% is supplied by the regional authority. For schemes proposed by regional authorities, all of the co-financing to be supplied by the member state is paid by the regional authority.

For the programmes proposed by central government, a distinction is made between horizontal measures and those measures applying only to certain zones. To initiate the programmes proposed by central government requires the approval of legislation applicable nationally (the framework regulation) and the approval of the corresponding legislation applicable to regions. In this way, certain differences may arise within a single measure (the framework regulation) in terms of how it is applied in the different regions (regional norms). On the other hand, this system of "double legislation" is one of the factors which has contributed to the slowness of the application progress under Regulation 2078/92 in Spain.

Regional authority programmes are only applied within specific zones of the region in question. There are more than 60 programmes under this heading, distributed among the seventeen regions. The application of these programmes only requires approval by the corresponding regional authority, so that the time taken to pass legislation is reduced. Nevertheless, central government does not play any role in the financing of these regional agri-environmental programmes, so that in this case the slow implementation is due more to budgetary restrictions of the regional governments themselves.

In terms of the relative importance of both types of programme, measured by the total budgetary sum allocated for the period 1994 - 2000, the programmes proposed by the central government amount to 60% of the total cost of the Spanish agri-environmental programme, while the programmes proposed by the regional administrations amount to 40%.

The legislative development of nationally applicable legislation did not take place until half way through 1995. Thus from 1993 - 1995, only three regional programmes were applied (in Castilla - La Mancha, Castilla y Leon and Asturias). It was therefore in 1996 that the Spanish agri-environmental programme started to take off, although it will not be completely operative until the end of 1997 or early 1998. The slow implementation of Regulation 2078/92 means that between 1993 to 1997, only 30% of the total budget was used. The main reason for the delay in applying Regulation 2078/92 in Spain is the lack of funds in central government and regional administrations. Other important reasons are the complexities of policies of this type, lack of experience in their application, and the low level of sensitivity shown by farmers and the administration to agri-environmental problems.

The horizontal measure for encouraging organic farming

The horizontal measure for encouraging organic farming sets out grants for conversion to or the maintenance of organic farming throughout Spanish territory, approved at the start of 1995. No regional government applied the grants until 1996 because when they proceeded to undertake the necessary legislative breakdown. In 1996, the decrees corresponding to grants for organic farming were passed in Andalucía, Aragon, the Balearic Islands, the Canary Islands and Castilla y Leon. In this year the number of hectares given over to organic farming grew from 24 078 to 103 735, i.e., a fourfold increase. Everything seems to indicate that this strong increase was due to the introduction of the grants for organic farming in the said regions. The increase in the area under this type of farming in Castilla y Leon is surprising, as it rose from 6 500 to 40 785 hectares in a single year. According to the interviews carried out, a majority of the farms included under the scheme use traditional systems of production that meet the norms demanded of organic farming. Large farms predominate, using highly extensive pasture regimes. This explains why the number of organic farmers has increased by much less, from 1 042 in 1995 to 2161 in 1996, i.e., an approximately twofold increase.

In 1997, the decrees were applied in Navarre, Asturias, Madrid, La Rioja, Extremadura, Castilla-La Mancha, Cantabria, Murcia, the Valencian Region and the Basque Country. Likewise, Galicia has shown its intentions of doing so shortly. Although data are still lacking, everything indicates that there is a major boom in regions such as Extremadura, Andalucía and Castilla-La Mancha, always on the basis of farms using traditional systems of production, which with very minor changes are able to meet the norms demanded of organic farming. The only factor that could slow this expansion is budgetary restriction, although if this is avoided then it is possible that in one or two years there will be from 200 000 to 300 000 hectares under organic farming in Spain.

To be able to receive grants, the farms requesting them have to be included in the corresponding registers of organic farming. The problem for the regional Councils or Committees for organic farming (the bodies responsible for deciding whether or not to admit farms into the register) is whether or not to accept this avalanche of farms which state that they have converted to organic farming. Although under the terms of the norm these traditional farms do actually meet all of the requirements to be admitted in the register of organic farms, many of them have no plans to sell their products as such, but rather simply to take advantage of the help offered.

The underlying issue is that in Spain the horizontal measure (Regulation 2078/92) is being basically used as a way of paying farmers for the positive environmental externalities of the organic farming practices but not as an instrument to promote organic farming, i.e. not only to produce in an ecologically sound way, but also to organise marketing structures so as to be able to sell their organic produce. On the one hand, a business sector exists which is located in regions with highly intensive agriculture, and where organic farming was developed before the application of Regulation 2078/92 (Mediterranean coastline i.e. Cataluña, Comunidad Valenciana and Andalucía). On the other hand, there is a sector of

organic farming which is not generally involved in the marketing of organic products, and which has come into being due to the application of Regulation 2078/92. Such farms are located in regions where very extensive agricultural techniques are used, and where there were no organic farms prior to 2078/92 (central plateau i.e. Castilla y Leon, Aragon, Castilla La Mancha, y Extremadura). Both tendencies may be present in some regions, such as Andalucía, where the attempt is being made to create a sector that is clearly focused on marketing, based on new organic farmers who have converted through the aid offered by Regulation 2078/92.

7.2 Impact of mainstream agricultural support measures on organic farming

7.2.1 Actors

Not applicable

7.2.2 National/regional legislation (non EU derived-see main text for details of EU legislation)

Not applicable

7.2.3 Variations In mainstream CAP Reform measures Implemented

All mainstream measures implemented

7.2.4 Set-aside management requirements and Implications for organic farming

There are two options within this: the first consists of applying the fallow land technique to annual set-aside, either in its traditional mode (with tilling) or its modern mode (no tilling and using herbicides of low environmental impact). The second consists of establishing a leguminous crop vegetable mulch which is used for organic fertilisation.

The farmers may choose either of these two options. The first has been used mainly by conventional farmers whilst the second is the one used on organic farms. The latter option allows for fertility building and set-aside payments and has had a favourable impact on organic farming, which seeks to avoid bare fallows based on tillage.

7.2.5 Impacts of other measures on organic farming

No reports or issues identified

7.2.6 Special provisions for organic/converting producers

None

7.2.7 Environmental cross-compliance measures and implications for organic producers

None

7.2.8 Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming

The effect has been that of a barrier to the necessary restructuring of the sectors involved, but this impact mainly affects conventional farming, not organic farming

7.2.9 Impact of national or regional aids on organic farming

Not applicable

7.2.10 Studies concerning the impact of organic farming on public expenditure (at EU, national or local level)

None identified

7.2.11 General comments

The lack of importance of organic farming and lack of sensitivity from agricultural administration to environmental questions explains why this type of farming has not been taken into account and no environmental cross-compliance measures have been introduced on development and application of the CAP Reform in Spain.

7.3 Marketing and processing schemes

7.3.1 National/regional legislation which provides/provided support for market and processing (not EU-derived)

None

7.3.2 Organisations/projects which have received funding from market and processing schemes (EU, national and regional)

Regulation (EEC) 866/90: According to the Board of Food Industries of the Ministry of Agriculture, two vineyards have been awarded grants under 866/90 and amendments (implemented through the Real Decreto 633/95) for the development of new products derived from organic viticulture.

EC Regulation 2328/91: On implementation of this Regulation in Spain (through Real Decreto 204/96 amended by the Real Decreto 1153/97), it was established that investments in organic farms should receive 4% higher subsidies than conventional farms. It has not been possible to obtain information about the number, productive orientation and locality of the organic farms which have made use of this, since it is not available on a government level (Ministry of Agriculture) but everything would appear to indicate that the number of organic farms chosen was very small, if indeed there were any at all.

7.3.3 Actors: Organisations active in market development within the organic sector

One of the multiple activities that the organic associations have developed is the market improvement through the information given to farmers and consumers and at the same time these associations are functioning as meeting point between all the sectors' professionals.

The following organisations provide publicity material and consumer information:

Asociación Vida Sana

Asociación Biodinámica de España

Asociación para el Desarrollo de la Agricultura Ecológica (ADAE) (C.Valenciana)

Coordinadora de Agricultura Ecológica (CAE) (Cataluña)

Asociación Umbela (Andalucía)

Biolur (Navarra)

Ekolur (País Vasco)
Técnicas Agrobiológicas

7.3.4 Public expenditure (MESP)

Funding measure	Year	Forecast						
		1993	1994	1995	1996	1997	1998	1999
EC Reg. 866/90	Budget:							
	Actual:			34				
	EU %:			30%				

7.4 Regional and Rural Development Schemes

7.4.1 National/regional legislation

None

7.4.2 Organisations/projects which have received funding from regional and rural development schemes (EU, national and regional)

There is little information available on organic production projects subsidised through the LEADER programme. A Ministry of Agriculture evaluation of the 52 programmes from LEADER distinguished between craft food products and other food industry products making identification of specifically organic projects difficult.

In Navarre LEADER support was provided in 1994 to encourage organic crops and livestock rearing projects with the intention of adapting local farm produce to market trends, and protecting the environment.

7.4.3 Organisations active in regional or rural development within the organic sector

Association BIOLUR (Navarra).

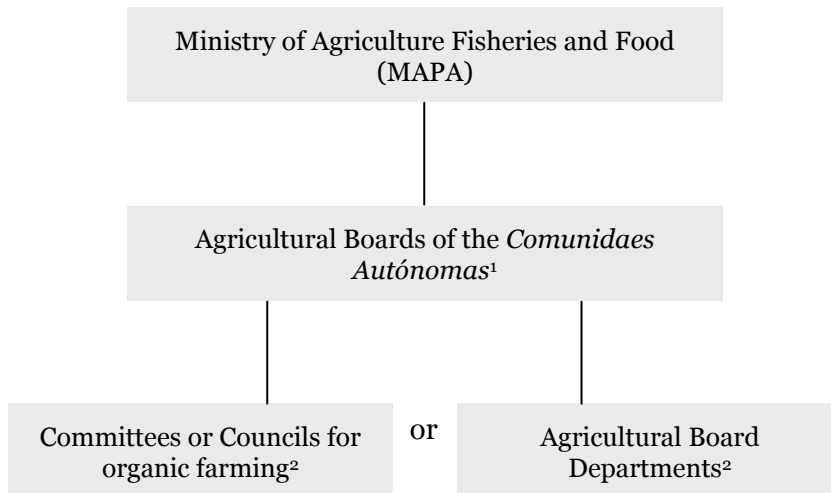
7.4.4 Public expenditure

Not available

7.5 Organic production standards, inspection and certification

7.5.1 Actors

Main bodies involved in administration, inspection and certification



¹ Competent Authorities responsible for administration of EC Reg. 2092/91.

² Inspection and certification

In Spain, there is a public system of inspection and certification which is applied through two different types of controlling authority:

1. Committees or Councils for Organic Farming - these public bodies are divided according to regional Governments and are composed of representatives of producers, processors, third country importers, the regional Government and others from the sector such as consumers and organisations of agricultural professionals. 13 *comunidades autónomas* have adopted this type of control authority.
2. Agricultural Board Departments - These consist of one or several departments within the regional governments and competent within the field of agriculture. 4 *comunidades autónomas* have adopted this type of controlling authority.

In both cases the competent authority is the administration of the regional Government itself, through its own bodies competent in the field of agriculture.

From the late 1970s and throughout the 1980s, produce from organic farms sold in Spain was either certified by private associations or by the producers themselves with their own brand. In the case of the former, associations such as Umbela and BioAndalus in Andalucía, and most especially Vida Sana at a national level granted their certificates of approval to producers and processors. The second case includes brands

such as ‘Terra Viva’ in Valencia and ‘Cebes’ in Extremadura, which began by offering certificates of approval for their own products, and then went on to offer certificates for other producers in their own regions. Some Spanish producers and processors who exported their products received certification from foreign organisations such as Nature et Progrès in France and Demeter Bund in Germany.

7.5.1.1 Private sector bodies operating their own set of standards

Vida Sana standards are similar to 2092/91. The Asociación Biodinámica uses the international Demeter standards. The private organisations may only award their logo to products which have already been certified by a state control authority.

7.5.2 National definition for organic farming (not EC Reg. 2092/91)

National legislation defining organic farming

The CRAE was set up in October 1989 as a national government inspection and certification body for the whole of Spain. The production standards of CRAE were approved in May 1990 and based on the standards of Spanish and foreign associations, IFOAM and the proposal of what would eventually become EC Reg. 2092/91.

In October 1993 Royal Decree 1852/1993 brought Spanish legislation into line with EC Reg. 2092/91 after which the CRAE started to apply this regulation as its principle norm. From 1994 onwards the process of transferring powers of inspection and certification to regional government authorities of was initiated. The CRAE ceased operating in April 1996, transferring its responsibilities to the regional Governments. The regulation of the CRAE and its production specifications are now used for three main purposes:

- To regulate food processing
- To regulate animal production.

Non legal national definition of organic farming

Vida Sana and Asociación Biodinámica standards operate throughout the whole country.

7.5.3 Prosecutions in breach of 2092/91 legislation or any other national legislation

Both during the management of the old CRAE and the current Control Authorities of the *comunidades autónomas* Regional Governments, prosecuted cases have taken place against producers for non-compliance with 2092/91. The most common reasons for prosecution are:

- Appearance of non-permissible phytosanitary residues in the products.

- Labelling irregularities

7.5.4 Financial support towards inspection and certification costs

The Autonomous Community Boards are subsidised by the regional governments. For example, the Organic Farming Committee of the Community of Madrid:

80% budget subsidy for the first year of management, 70% for its second year and 60% subsidy for subsequent years.

7.5.5 Average inspection and certification costs

The producers do not pay per inspection, they make a series of fixed payments to the control authority, for several items:

- Registration fee: 20 000 ESP per farmer (average)
- Annual registration renewal fee: 12 000 ESP per farmer (average)
- Certified product sales levy: 1.5% (average)

7.5.6 Public expenditure for the administration, inspection and certification under 2092/91 or any national definition (MESP)

Total expenditure figures are not available. The following is an example of annual subsidy for the Organic Farming Committee of the Community of Madrid:

		Forecast						
	Year	1993	1994	1995	1996	1997	1998	1999
Support of certification bodies	Budget				3			
	Actual				3			
	EU %				0			

The Boards and Committees of the Autonomous Communities are normally subsidised totally or partially by the regional governments. When control authority functions are carried out by the regional government itself through the Agricultural Boards, the total cost of inspection and certification is the responsibility of the regional government.

7.6 Advice and extension

7.6.1 National/regional programmes

Before 1996 there was no national programme. In 1996 the responsibility for organic farming was transferred to the CCAA. So far no region has implemented any specific extension programme, but consultancy services for organic producers and technical support for conversion are mentioned specifically in the organic farming programmes in twelve of the seventeen regions. Future development will depend on the resources provided by the CCAA to carry out this advisory service.

7.6.2 General provision of extension

- Mainly organic farming associations that also fulfil a more general role in promoting organic agriculture offer advisory services. The associations have also supplied information to and facilitated contact between the different advisors.

- Some technical and business advisors working for foreign and/or Spanish companies (even though the number of Spanish companies is limited because of the limited domestic market) give technical support to farmers. This is usually related to the sale of specific product and usually funded or co-funded by the company.
- Several consultants who have undergone some training in organic agriculture offer technical advice in their specific area of expertise to farmers on a part time basis.
- In the past also the inspectors of CRAE (the certification body that ceased to exist in 1996) have given advice as part of the inspection and were often regarded as the only knowledgeable people.

All advice that is not supplied by companies has to be fully paid for by the farmers.

7.6.3 Public expenditure

There is no specific budget for organic farming extension in any region, even though some support might be given as part of the responsibility of the regional governments for organic farming.

7.6.4 General comments

A increasing number of producers that have taken up organic production as a result of the implementation of EC Reg. 2078/92 are not linked to the information network of the organic producers association.

7.7 Training and education

7.7.1 National/regional programmes

Organic farming features in the Spanish training programme under EC Reg. 2078/92 in the horizontal measure “agro-environmental training for farmers” with some specific courses. A short period is also devoted to organic farming in the general courses on agri-environmental training, courses are offered by several governmental as well as private institutions (Deblitz and Plankl, 1998).

The regions Adalucía (organised by CAEE - Comité Andaluz de Agricultura Ecológica), Castilla de Mancha, and Galicia have implemented the training element so far.

7.7.2 General provision of training

- Several universities/colleges (Cordoba, Madrid, Tenerife, Seville) are offering courses in organic farming as part of other degree schemes, but no academic qualifications in organic farming are available.
- One technical school (Manresa Farming School) has specialised in organic farming and offers professional training (level one) which leads to a recognised agricultural qualification, and specific training for farmers (50-70 hours).
- Training centres (under the umbrella of the National Institute of Employment) offer occupational training in organic farming as part of courses for people that have been unemployed, supported through the European social fund.
- The producer organisations are quite important in the field of continuous education for farmers as well as the general public but do not receive any public support.

7.7.3 Public expenditure (MESP)

		Forecast						
	Year	1993	1994	1995	1996	1997	1998	1999
Total training	Budget	nd	nd	nd	50	nd	nd	nd
	EU%				nd			
	EU-reg.				2078/92			

nd = no data available

The current rates of support for courses are 200 000 per person for the farmer, 400 000 per person for the trainer and 50 000 per course for organisation (2078/92 Synopsis). CAEE received 16.1 MESP for 32 training courses and 24 seminars.

7.8 Research and development

7.8.1 National/regional programmes

The state sector has in the period since 1996 recognised the need to include organic farming objectives in the R&D priorities. There are public research funds on a federal (MAF Sectoral Programme) as well as regional level (CCAA).

7.8.2 General provision of research

Organic farming was included in the national research programme as a priority area, in the last change of priorities in 1996 (until 1999).

Several research institutions in the region of Andalucía have an involvement in the organic sector.

There are two specific projects on organic farming found under the Sectoral Programme (1996-1999): One of them is carried out solely in one region (Extremadura) and the other in four regions (Castilla La Mancha, Extremadura, Navarra y Aragon).

A certain amount of projects has been carried out by the organic sector itself, quite a few on farm projects fall into the category of demonstration and development projects.

There is a lot of research that is non organic farming specific but which contains some interesting results that apply to the organic farming practices (soil management practices, pest biological control, etc.).

7.8.3 Public expenditure (MESP)

	Forecast						
	1993	1994	1995	1996	1997	1998	1999
Total research	0	0	0	0	10	10	10

There is no specific budget devoted to organic farming research at national level.

The budget for the two projects funded under the Sectoral Programme (1996-1999) are 26 324 000 ESP and 4 492 000 ESP respectively (30 MESP over 3 years).

7.9 Future policy developments

Organic farming in Spain is, at present, undergoing considerable expansion as a consequence of applying the horizontal measure of organic farming training on application of Regulation 2078/92. However, as we have already mentioned in the general comments above, aids are being used as a means of income for the farmer (payment for the positive environmental outward expression which organic farming generates as a productive system), but are not serving to train a genuine business sector in organic farming to market their products as organic products

Some Regional Governments in which extensive traditional farming predominates, which comply with practically all the requisites of the legislation regulating organic products (Castilla y Leon, Castilla La Mancha and Extremadura) are being inundated with requests for aid within the horizontal measure of 2078/92, with the result that the budget provided for this measure has been seriously exceeded and there are no possibilities of increasing the economic resources granted for this measure in any significant way. Given this situation, it is more than likely that in the future the amount of aid shall be considerably lower to decrease the current incentive level.

However, some Regional Governments such as Andalucía, and possibly others in the future, are attempting to initiate advice and training policies for farmers, not only in productive tasks, but also for creating co-operatives and other commercial channels for selling their products as organic. In this way, the aids for organic farming of 2078/92 (horizontal measure for promotion of this type of farming) shall be used as much as possible to promote a business sector in organic farming.

7.10 Literature

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8 FI – Finland

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8.1 Organic farming support under agri-environment and extensification programmes

8.1.1 Actors

8.1.1.1 Organisations Involved In setting up 2078/92 or other organic farming support scheme

Current scheme:

- Ministry of Agriculture and Forestry
- Ministry of the Environment
- Agricultural Economics Research Institute

Previous (1990) scheme:

- Ministry of Agriculture and Forestry
- Central Union of Agricultural Producers
- Union for Organic Farmers

8.1.1.2 Organisations Involved In operating 2078/92 or other organic farming support scheme

Current scheme:

- Plant Production Inspection Centre
- Rural Advisory Centres
- Employment and Development Centres, Rural Departments
- Union for Organic Farmers
- Bio-dynamic Farming and Gardening Association

Previous (1990) scheme:

as current scheme except Plant Production Inspection Centre and including:

- Ministry of Agriculture and Forestry.

8.1.2 National/regional legislation which provided organic farming support before 2078/92

8.1.2.1 National/regional legislation which provides/provided organic farming support

Conversion Aid Scheme 1990-1994: legislation no. 1261/89

8.1.2.2 Objectives of national/regional legislation

The objectives were not really specified in the legislation. In practice, the basic goal was to give standards to organic farming and in that way also decrease overproduction. To make organic farming attractive to larger number of farmers it had to be supported by government.

8.1.2.3 Payment levels envisaged in national/regional legislation

1990-1992: 2 800 FIM/ha/year.

1993-1994: Southern Finland 2 200 FIM/ha, Central Finland 2 000 FIM/ha, Northern Finland 1 800 FIM/ha

8.1.3 Agri-environment schemes (measures) implemented

There are two main parts:

1. The General Agricultural Environment Protection Scheme (GAEPS) mainly aim to reduce the nutrient loading of water courses, and requiring an environmental management plan
2. The Supplementary Protection Scheme (SPS), details of which are in the table below.

Åland is an autonomous island with its own agri-environment scheme with similar rules. The organic farming scheme involves compliance with the basic scheme and with EC Reg. 2092/91. Payment rates for conversion are: 249 ECU/ha for 3 years and 114 ECU/ha for maintenance of organic farming.

The following details relate to the mainland scheme only.

	Measures	Start year	Regions	Number of farms at 15 Oct 1997 (ha)	Land area at 15 Oct 1997
1	Organic production: of which conversion continuing	1995	All	4 161 2 935 1 226	89 403 68 466 20 937
2	Improving use of manure	1995	All	574	5 388
3	Extensification	1995	All	47	329
4	Sour sulphate soil liming	1995	All	(1996) 1 989	(1996) 40 211
5	Adjustable cover draining or calcium-filter draining	1995	All	(1996) 184	(1996) 2 175
6	Treatment of runoff waters from arable land	1995	All	(1996) 116	(1996) 1 605
	Sub-total runoff waters (4-6)			2 716	49 176
7	Riparian zones	1995	All	733	1 581
8	Management of agricultural landscape	1995	All	(1996) 327	(1996) 1 463
9	Traditional biotopes	1995	All	(1996) 1 041	(1996) 7 215
10	Biodiversity	1995	All	(1996) 151	(1996) 541
	Sub-total landscape and biodiversity (8-10)			1 845	9 900
11	Local breeds	1995	All	1 967	7 026 (LU)
12	GAEPS	1995	All	77 285	1 838 474

Sources: 1996 data: Deblitz and Plankl (1997); 1997 data: EC Reg. 2078/92 statistical reporting by Member States to European Commission, Brussels.

Previous (1990) scheme:

	Conversion Aid Scheme	1990	All	(1994) 1 433	(1994) 25 249
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8.1.4 Details of organic farming scheme

8.1.4.1 Requirements and eligibility conditions

Farmers eligible to participate	Converting <input checked="" type="checkbox"/> Continuing <input checked="" type="checkbox"/>
Organic certification requirement	<input checked="" type="checkbox"/> Plant Production Inspection Centre (1990: Union for organic farmers)
Maximum size/payment limit	-
Minimum size/payment limit	<input checked="" type="checkbox"/> 3 ha agriculture, 0.5 ha horticulture
Stocking rate limit	<input checked="" type="checkbox"/> 1.5 LU/ha
Eligible crop restrictions	<input checked="" type="checkbox"/> permanent grassland (> 4 years old) excluded
Organic management of livestock	-
Staged conversion possible	<input checked="" type="checkbox"/> in 2-3 years (1990: max. 3 years)
Part farm conversion possible	<input checked="" type="checkbox"/> Small fields with low quality and unsuitable location can be left out of conversion (1990: No)
Training and/or advice provided	<input checked="" type="checkbox"/> Compulsory - minimum 5 days basic course on organic farming or certification of similar knowledge (1990: 3-5 days course)
Other restrictions	<input checked="" type="checkbox"/> Compulsory participation in GAEPS; restriction on nutrient inputs (see 8.1.5)
Adjustments made to original scheme	<input checked="" type="checkbox"/> Term of notice of the scheme has been changed from 2 to 5 years (1990: Farmer age < 55 and must live on farm)

= yes, - = no

8.1.4.2 Regional variations

None, except payment rates (see below)

8.1.4.3 Payment rates for organic farming scheme and General Agricultural Environment Protection Scheme (FIM/ha)

NB Eligibility for organic scheme requires participation in GAEPS so organic farmers receive both payments.

Organic farming schemes

Year	Region	Land type	Conversion (Years 1-3)	Continuing
1995-1997	Area A (south)	All except perm. grass	1 797	702
1995-1997	Area B (centre)	All except perm. grass	1 601	702
1995-1997	Area C (north)	All except perm. grass	1 397	702
1998	Whole country	All except perm. grass	1 000	702
<i>1990 organic conversion scheme</i>				
1990-1992	Whole country	All	2 800	0
1993-1994	Area A (south)	All	2 200	0
1993-1994	Area B (centre)	All	2 000	0
1993-1994	Area C (north)	All	1 800	0

General agricultural environment protection scheme (GAEPS)

Year	Region (predominant farm type)	Cereals, pulses, oilseeds, starch potatoes	Grass, sugar beet, potatoes, other crops	Horticulture, annual	Horticulture, perennial
1995-1998	A (Mainly arable)	1 130	1 730	1 730	4 410
1995-1998	B (Mixed livestock/arable)	600	850	1 730	4 410
1995-1998	C1 (Mainly livestock)	400	850	1 730	4 410
1995-1998	C2-C4 (Extensive livestock)	250	850	1 730	4 410

8.1.4.4 Adjustments to the rates of payment since scheme was originally implemented

Farmers who had participated in 1990-1994 scheme continued under the new scheme. The high uptake of the organic farming option restricted funds available for other programmes, so that in 1997 no new organic farming contracts were made, but farmers with existing contracts could add new land to their contracts. New converters are eligible in 1998 at the lower rate of payment.

8.1.4.5 Support other than direct income payments as part of organic farming scheme

Advice and information	The drawing up of a farm environmental management plan is supported under GAEPS. (Previous 1990 scheme: 10 full time advisors)
Training and education	Training courses for organic farmers and advisors: courses and demonstration farms potentially fundable under EC Reg. 2078/92.

8.1.5 Combination between organic farming and other agri-environment measures

☑ Compulsory - GAEPS

Optional - every other supplementary scheme except extensification (1990 scheme: no alternative options)

8.1.5.1 Eligibility conditions and requirements of GAEPS

Plant protection: only tested and approved equipment may be used; application of pesticides only by a trained person; actual need for pesticides has to be assessed; crop rotation in order to minimise the use of pesticides; field margins unsprayed; wind drift, volatilisation and run off must be avoided; proper handling of wastes and washing of sprayers.

Fertiliser use: based on soil fertility - base level may not be exceeded; on farms below the base level the use of fertilisers (organic and inorganic) may not be increased. Base levels (kg/ha):

	Arable crops	Hay	Silage	Potatoes	Sugar beet	Pasture
Nitrogen	90-120	90	180	60	120	180
Phosphorus	15	15	30	40	30	30

Livestock: in Areas A and B maximum 1.5 LU/ha; manure and urine may not be spread on frozen soil or snow cover; manure storage capacity of 12 months (8 months if grazing is possible)

Other:

- Farm Environmental Management Plan has to be prepared and measures included must be followed on farm;
- manure and soil fertility analysis, cultivation and rotation plan and diary of production have to be prepared;
- filter strips of 1 m on the sides of main ditches must be left;

- filter strips of > 3 m, covered by perennial vegetation, on the sides of brooks and watercourses must be left;
- in the Areas A and B > 30 % of arable land must be covered by plants or plant residues outside the growing season;
- chemical treatment of field margins has to be avoided;
- open landscapes have to be preserved by mowing uncultivated field areas at least once a year;
- bio-diversity has to be maintained by preserving small biotopes like ponds, wetlands, hedges and wells;
- surroundings of residential and production buildings has to be managed appropriately;
- GAEPS also applies to horticulture in modified form.

8.1.5.2 Main requirements and payment levels for combinable or competitive agri-environment measures

	Measures	Main requirements	Typical payments (FIM/ha)	Relationship to organic
2	Improving use of nutrients in manure	Regions of high livestock density - support paid to farmers who receive and treat manures from producers who are unable to use it	197	Combinable
3	Extensification	Aimed at ground water protection, no pesticide, fertiliser <50% of GAEPS base levels	259	Incompatible, not competitive
4	Acid sulphate soil liming	Sour sulphate land pH <5, clay soil, Problems with surface waters	Based on costs (max 1 000)	Combinable
5	Adjustable cover or calcium-filter draining	No specific requirements, each case is determined individually	Based on costs (max 1 748)	Combinable
6	Treatment of runoff waters from arable land	Management of sedimentation ponds and wetlands - 5 and 20 year (set-aside) contracts	70-3 602	Combinable
7	Riparian zones	No fertilisers, pesticides, >15m on cultivated area, perennial vegetation, no production	3 602	Combinable
8	Management of agricultural landscape	Areas to be cleared and fenced if needed, maintain individual landscape elements, maintain grazing	Based on costs (max: 20 yr: 3 602 5 yr: 1 500)	Combinable
9	Traditional biotopes	No pesticides, fertilisers, ploughing	Based on costs (max 1 748)	Combinable
10	Bio-diversity	No pesticides, fertilisers	As 8 above	Combinable
11	Local breeds	Maintenance of pedigree status and breeding programme for specific breeds. Participation in GAEPS not required.	498/LU	Combinable
	Farm Environmental Management Programme	Planning as part of environmental training and advising scheme; soil and herbage analysis to determine need for nutrients	Free for farmers	Combinable

Source: Deblitz and Plankl (1997) and Ministry of Agriculture and Forestry correspondence.

8.1.6 Public expenditure and EU contribution for organic farming and other agri-environment schemes (MFIM)

Previous schemes

	Year	1990	1991	1992	1993	1994
1990 Conversion Aid Scheme	Actual	15.4	29.4	40.6	33.3	26.7

Agri-environment programme (2078/92)

Measure	Year	1995	1996	1997	Forecast	
					1998	1999
1 Organic production	Budget	55.6	nd	nd	96	31
	Actual-a	36.5	99.5	123.9	na	na
	Actual-b	nd	98.7	120.3	na	na
2 Balanced use of nutrients/ manure	Budget	10	nd	nd	2	2
	Actual-a	0.9	1.1	1.5	na	na
	Actual-b	nd	0.8	1.0	na	na
3 Extensification	Budget	6.5	nd	nd	0.1	0.1
	Actual-a	0.1	0.1	0.1	na	na
	Actual-b	nd	0.1	0.1	na	na
4 Sour sulphate soil liming	Budget	nd	nd	nd	nd	nd
	Actual-a	nd	37.5	34.4	na	na
5 Cover/calcium-filter draining	Budget	nd	nd	nd	nd	nd
	Actual-a	nd	2.3	10.0	na	na
6 Treatment of runoff waters	Budget	nd	nd	nd	nd	nd
	Actual-a	nd	1.6	3.2	na	na
Sub-total runoff waters (4-6)	Budget	31.3	nd	nd	50	50
	Actual-a	33.2	41.4	47.6	na	na
	Actual-b	nd	37.8	44.5	na	na
7 Riparian zones	Budget	58.7	nd	nd	6	6
	Actual-a	1.1	2.8	5.4	na	na
	Actual-b	nd	2.9	5.1	na	na
8 Agricultural landscape	Budget	19.6	nd	nd	nd	nd
	Actual-a	2.3	1.6	2.8	na	na
9 Traditional biotopes	Budget	19.0	nd	nd	nd	nd
	Actual-a	see 8	7.2	10.6	na	na
10 Biodiversity	Budget	14.2	nd	nd	nd	nd
	Actual-a	see 8	0.7	1.3	na	na
Sub-total landscape and bio-diversity (8-10)	Budget	nd	nd	nd	11	11
	Actual-b	nd	7.7	10.9	na	na

Agri-environment programme (2078/92) (cont.)

Measure	Year	Forecast				
		1995	1996	1997	1998	1999
11 Local breeds	Budget	14.5	nd	nd	3.5	3.5
	Actual-a	1.2	3.5	3.6	na	na
	Actual-b	nd	3.1	3.5	na	na
Total supplementary schemes	Budget	350	320	306	168.6	103.6
	Actual-a	75.3	163.4	196.8	na	na
	Actual-b	76.6	151.1	185.4	na	na
12 GAEPS	Budget	1 356	1 356	1 356	1 374	1 374
	Actual-a	1 330	1 366	1 372	na	na
	Actual-b	1 331	1 345	1 340	na	na
Planning, advice, training, research	Budget	nd	nd	nd	0	0
	Actual-a	5.0	48.6	68.0	na	na
	Actual-b	13.7	27.7	38.0	na	na
TOTAL 2078/92	Budget	1 689	nd	nd	1 542	1 477
	Actual-a	1 410	1 578	1 637	na	na
	Actual-b	1 420	1 524	1 563	na	na
	EU%	50%	50%	50%	na	na

Sources: 1995 budget - Ministry Agri-Environment Programme submission to EU Commission.

Actual-a - 1995: Statistics Finland, 1996; 1996, 1997: Ministry of Agric. & Forestry correspondence. Data at 31st December each year. Actual-b - EC Reg. 2078/92 statistical reporting by Member State to European Commission, Brussels.

Data at 15th October each year. Forecasts for 1998 and 1999 based on existing commitments, excluding possible new entrants.

na = not applicable, nd = no data available

8.1.6.1 Reasons for adjustments to budget

The uptake for all schemes in 1995 was less than anticipated due to the late start of schemes. In 1996, the agri-environmental scheme was changed so that money which was not spent in a particular year could be transferred to the next year. 180 MFIM was transferred from year 1995 to year 1996. In 1996, the organic farming budget was exceeded by 1.8 MECU limiting the funding for other programmes (STAR, 1997). In 1997, an additional 10 MECU expenditure was agreed with the Commission, but at the end of the year 20 MFR were not spent, and have been transferred into 1998, taking the total budget in 1998 to 80 MFR. The money was all spent by September 98.

8.1.7 General comments

The decline in conventional producer prices on EU accession caused severe problems especially in conventional grain production and stimulated interest in conversion to organic farming. The goal of 120 000 ha organic (5% of farmland) by 1999 under the agri-environment programme will be achieved in 1998, but as yet there is no national strategy for organic farming. Participation in the General Agri-Environmental Protection Scheme in 1997 was high, with 87% of all farms and 91% of the cultivable land. On livestock farms, the need for investments in manure storage and constraints on manure spreading acted as a deterrent to participation. For arable farms, the filter strip and plant cover requirements were most problematic.

8.2 Impact of mainstream agricultural support measures on organic farming

8.2.1 Actors

The following organisations are involved in planning and implementing the mainstream measure:

- Ministry of Agriculture and Forestry
- Ministry of the Environment
- Agricultural Economics Research Institute
- Rural Advisory Centres
- Employment and Development Centres, Rural Departments

8.2.2 National/regional legislation (not EU-derived)

Not applicable

8.2.3 Variations in mainstream CAP Reform measures implemented

All standard measures implemented in 1995 on EU accession except male calf processing scheme, beef extensification scheme and less favoured area measures.

8.2.4 Set-aside management requirements and implications for organic farming

Information on management requirements not supplied. Conditions are the same for all farmers.

8.2.5 Impacts of other measures on organic farming

No special impacts on organic farmers, as most farms qualify for small farms scheme, and because the area of grassland has always been high and LU/ha has been low. Converting to organic farming has not changed the structure of production on farms significantly.

8.2.6 Special provisions for organic/converting producers

None

8.2.7 Environmental cross-compliance measures and implications for organic producers

Not applicable

8.2.8 Impact of expenditure capping mechanisms linked to regional base areas/numbers on organic farming

Not known

8.2.9 Impact of national or regional aids on organic farming

Not applicable

8.3 Marketing and processing schemes

8.3.1 National/regional legislation which has provided support for marketing and processing

None

8.3.2 Organisations/projects in the organic sector which have received funding from market and processing schemes (EU, national and/or regional)

8.3.2.1 EU

Aid to upgrade production capacity granted through the programme for processing and marketing of agricultural products (covered by EC Reg. 951/97) has enabled small meat sector enterprises to process organic meat.

Support for the formation of organic producer groups has been included in the programming document under EC Reg. 952/97. This has not yet been finally approved. Under EC Reg. 952/97 for producer groups, the nationally defined minimum turnover requirements are lower than those for conventional producer groups.

8.3.2.2 National/regional

There has been no funding from national or regional support schemes, but there has been funding from other sources such as rural development programmes.

- The Union for Organic Farmers is involved with a Regional Marketing Company Development project to develop the marketing of organic livestock products and to standardise marketing material among marketing companies and to improve co-operation between marketing companies, retailers, caterers and industry.
- In 1993-1994 the Rural Advisory Centre, Mikkeli carried out a project to develop the marketing and processing of organic products in the Southern Savo district.
- Finfood-Luomu organic food marketing project (from 1998)

8.3.3 Organisations active in market development within the organic sector

- Union for Organic Farmers
- Rural Advisory Centre
- Central Union of Agricultural Producers - a trade union for farmers in Finland.
- Various marketing companies owned by organic farmers have been set up mainly to improve the marketing of organic products.

8.3.4 Public expenditure

No data available

8.4 Regional and Rural Development Schemes

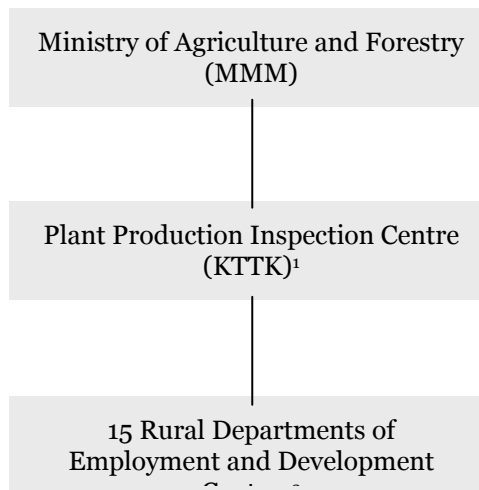
Details of funding which has been awarded to the organic sector from rural development programmes has not been obtained.

8.5 Organic production standards, inspection and certification

8.5.1 Actors

8.5.1.1 Bodies Involved In administration, inspection and certification

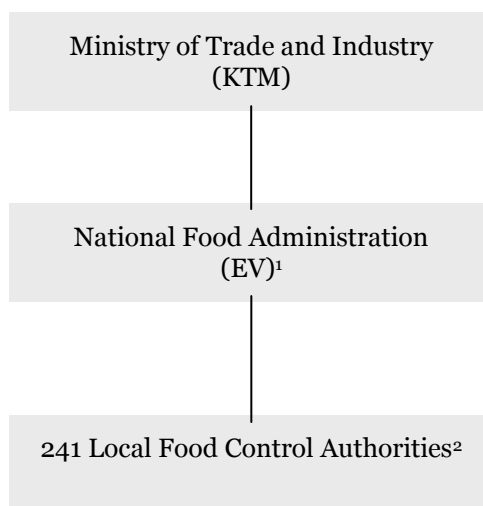
1. Control of agricultural production:



¹ Competent Authority responsible for administration of EC Reg. 2092/91

² Inspection and certification under EC Reg. 2092/91

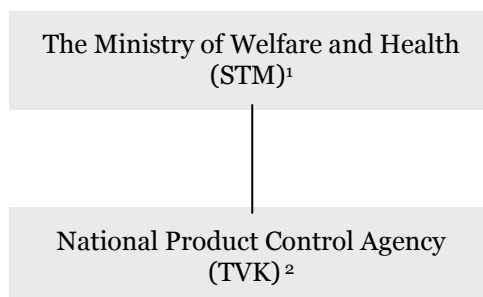
2. Control of preparation and marketing of unprocessed and processed organic products and imports from third countries:



¹ Competent Authority responsible for administration of EC Reg. 2092/91

² Inspection and certification under EC Reg. 2092/91

3. Control of processing and marketing of organic alcoholic beverages:



¹ Competent Authority responsible for administration of EC Reg. 2092/91

² Inspection and certification under EC Reg. 2092/91

4. Control on Åland Islands:



The system of implementation of administration, inspection and certification under EC Reg. 2092/91, is run by the state and organised according to different areas of activity: agricultural production; preparation and marketing; processing and marketing of alcoholic beverages. On the Åland Islands, the Provincial Government of Åland

Islands has set up a control board of organic farms. All of the above are government bodies.

8.5.1.2 Private sector bodies operating their own set of standards

The Union for Organic Farmers, (*Luonnonmukaisen Viljelyn Liitto ry* or *Luomu-Liitto* for short) and the Finnish Biodynamic Association (*Biodynaaminen Yhdistys*) are private organisations which carry out inspection and certification outside the framework of EC Reg. 2092/91. The Luomu-Liitto was founded in 1985 to act as an umbrella organisation for producer and other organisations promoting organic agriculture. In 1986, it set certification standards for plant production, followed by standards for animal production, bee keeping and processing in later years. Luomu-Liitto also certifies farm inputs. The Biodynamic Association has standards for plant production, animal production and processing. The system set up by Luomu-Liitto was taken over by the Ministry of Agriculture in 1994, but Luomu-Liitto still has its own standards and label (ladybird).

8.5.2 National definition for organic farming (not EC Reg. 2092/91)

8.5.2.1 National legislation defining organic farming

The Decision on Standards of Organic Plant Production (213/410/90) was first adopted in 1990 based mainly on the Luomu-Liitto standards. The standards were applied on farms covered by the conversion grant scheme defined in law 1261/1989 on balancing agricultural production and decision 44/1990 of the Council of State on Contracts of Organic Production. The standards were renewed annually during 1991-94 and adopted again (with minor changes due to the implementation of EC Reg. 2092/91) as the standards for Agri-Environment Programme for organic farming (according to decisions 52/1995 and 44/1996 by the Ministry of Agriculture and Forestry). These standards are legally binding only for those farmers who are covered by the organic farming support scheme (about 90% of all organic farmers).

8.5.2.2 Non legal national definition of organic farming

Luomu-Liitto first developed its Standards for Organic Production in 1986. The standards are slightly stricter than EC Reg. 2092/91, but are comparable to IFOAM standards for livestock. The crop production standards have been replaced by EC Reg. 2092/91, however use of the 'ladybird' logo, developed by Luomu-Liitto in 1987, is bound to their standards.

8.5.3 Financial support towards inspection and certification costs

There are no direct payments to producers, but fees have been taken into account when designing the support schemes for organic farmers. Inspection is (so far) free for processors.

8.5.4 Average inspection and certification costs (FIM)

Producers: Basic fee: 300 (fully converted farms) or 500 (permanent part conversion) plus additional costs per hectare or per animal. For example:

Grassland	25/ha
Fodder cereals	40/ha
Bread cereals	60/ha
Potatoes	80/ha
Horticultural crops	160/ha
Greenhouse crops	3 000/ha
animal inspections	ca.50/LU

8.5.5 Public expenditure for the administration, inspection and certification under 2092/91 or any national definition (MFIM)

Title	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Administration		0.2	0.778	1.75	2.195	0.737	1.099
Support of certification bodies	0.2	0.2	0.15	0.15	0.380	0.380	nd
Total	0.2	0.4	0.928	1.9	2.575	1.117	1.099

nd = no data available

8.6 Advice and extension

8.6.1 National/regional programmes

The drawing up of a Farm Environmental Management Plan (FEMP) is part of the GAEPS under EC Reg. 2078/92 (Article. 6.1). This should be carried out with a trained advisor and includes basic assessment of the current level of environmental management and preservation on the farm concerned (Based on version 17/2/1995; P. 19-21).

8.6.2 General provision of extension

The main providers of advice to organic producers and farmers in conversion are the rural advisory centres. These are private organisations owned by farmers and receive about 30 % of their funding from government. About 20 regional centres and approx. 50 advisors, 18 of which work full time in organic farming provide the advice. The majority of advisors are specialised in crop production. In addition there are:

- The Bio-dynamic producers organisation
- Union of Horticulture
- The Finnish 4H Federation (Head, Hands, Heart, Health).

Charges are approximately 690 FIM and 60 FIM/ha per farm visit. This covers the advisors time input, but not time for travel, general overheads or time for training of the advisors.

The Mikkeli Rural Research & Training Centre arranges training for advisors (supported under EC Reg. 2078/92) which is included in Section 8.7.

8.6.3 Public expenditure (MFIM)

	Forecast						
	1993	1994	1995	1996	1997	1998	1999
Total extension ¹	0	0	2.07	2.57	2.7 0%	2.7 0%	2.7 0%
Demonstration farms (2078/92)			5.0 50%	8.0 50%	5.84 50%	nd	nd
Total			7.07	10.57	8.54	nd	nd

nd= no data available

¹ Figures for advice provider under EC Reg. 2078/92 programme are included in 8.7.3.

8.6.4 General comments

In 1994, it was mentioned that there are not enough advisor. In additions skills and attitude to the job has been mentioned to be problematic, especially when advising in organic farming was not of their own choice. It has also been suggested that the inspection should be combined with advice, which could be less costly for farmers (Kallio, 1994). However, under international conventions this would be considered as compromising the integrity of the personal relationship between the farmer and her/his adviser.

8.7 Training and education

8.7.1 National/regional programmes

Training is part of the implementation of the GAEPS under EC Reg. 2078/92. Short courses (5 days) are compulsory for farmers that receive grants.

8.7.2 General provision of training

- Mikkeli Rural Research & Training Centre of the University of Helsinki offer most training including technical training, optional modules for agricultural students as well as short courses for farmers. The centre also arranges training courses for specific professions, such as inspectors, advisors, but does not offer any recognised technical qualification.
- Short courses for farmers are also offered by the rural advisory centres, the Bio-dynamic association and the Finnish 4H federation.
- Some funding for all these courses is included in the GAEPS (EC Reg. 2078/92), otherwise there is no special budget for the area.

8.7.3 Public expenditure

	Forecast						
Training	1993	1994	1995	1996	1997	1998	1999
Training and advice (2078/92)			8.7	19.7	32.2	nd	nd
EU share			50%	50%	50%		

Source: European Commission

nd = no data available

8.8 Research and development

8.8.1 National/regional programmes

No specific legislation.

“Research programme for ecological agriculture in Finland for 1995-1997 and preliminary programme for 1998-2000”, implemented in 1995 and co-ordinated by the research professor of Partala research station. The main objective is to develop production methods which are as much as possible equal to definitions of organic agriculture, related to the specific conditions of Finland. This includes nine sectors: resource economy, nutrient economy, plant protection, cultivation techniques, horticulture, animal husbandry, plant breeding and food processing. The research professor of Partala Research Station is responsible for the national research programme, which in addition to Partala involves various other branches of the Agricultural Research Centre of Finland and two Universities.

8.8.2 General provision of research

In Finland the main research activities are centred round the Partala Research Station for ecological agriculture, which is part of the Agricultural Research Centre of Finland. They are currently undertaking projects on various aspects of organic crop production, conversion, vegetable production as well as bee keeping and economic monitoring of organic farms.

In addition various other branches of the Agricultural Research Centre of Finland and two Universities are involved in the programme.

8.8.3 Public expenditure (MFIM)

	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Total research ¹	2.2	3.3	3.5	3.5	3.5	nd	nd

nd = no data available

¹ Estimate is based on budget for the Partala research station and does not include other research institutes.

8.9 Future policy developments

'Plan of action for the development of organic agriculture' introduced by Ministry of Agriculture and Forestry in 1996. The plan makes proposals mainly for the development of advisory services, research and marketing.

The main goal of this paper is to make a proposal to the Ministry of Agriculture and Forestry for a policy of organic production and food development. The essential measures are the development of production and marketing, to increase knowledge of organic products, manufacturing promotion material of Finnish organic control system for firms which export organic products. Organic production support scheme has to continue as a part of The Agri-Environment Protection Scheme and the goal of 120 000 ha in organic production until the year 1999 has to be achieved by securing financing to organic farming. The Agricultural Research Centre will evaluate all kinds of research and development project in organic farming. Extension and advisory services will be intensified by long term planning, increasing education and training of advisors and farmers, increasing information about research and advice. Also national standard setting (rules) will continue beside EU-regulations so that national conditions can be taken into consideration effectively.

Many changes are expected in the future concerning organic farming. In 1997, the government decided not to issue any new contracts for organic farming because of a lack of funding, only existing contracts were allowed expansion. At the same time the payment rate of conversion was lowered to FIM 1 000/ha/a from the beginning of year 1998 for new agreements.

Negotiation with EU Commission about the Agri-Environmental Protection Scheme will take place in 1999 and then will be decided in what kind of form the scheme will take. Part of the scheme is the Supplementary Protection Scheme which includes also organic farming.

The Union for Organic Farmers (Luomu-Liitto) would like to see 10% organic by 2002.

The Ministry of Agriculture and Forestry has reserved about 2.5 MFIM per year to promote organic food, starting from the beginning of 1998.

The marketing of organic products is definitely going to be one of the biggest problems in the near future. There is going to be over 100% increase in certified organic production in the next two years, which means that the situation is moving from surplus demand to surplus supply if marketing and logistics are not developed rapidly. Fortunately farmers already have started many co-operatives for marketing.

8.10 Literature

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9 FR – France

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9.1 Organic farming support under agri-environment and extensification programmes

9.1.1 Actors

9.1.1.1 Organisations Involved in setting up 2078/92 or other organic farming support scheme

Current scheme and action plan 1998-2002 (national level):

- Ministère de l'agriculture et de la forêt (Depse et Dgal)
- Interprofession Bio, Bio Convergence
- FNAB (Fédération Nationale d'Agriculture Biologique des régions de France)
- Agricultural professional organisations (Assemblée Permanente des Chambres d'Agriculture)

9.1.1.2 Organisations Involved In operating 2078/92 or other organic farming support scheme

Current scheme (national level)		Current scheme (regional level)	
<ul style="list-style-type: none"> ▪ Ministère de l'agriculture et de la forêt (regulation) ▪ CNASEA (subsidies and control) ▪ Interprofession Bio, Bioconvergence ▪ FNAB ▪ ITAB Institut technique de l'agriculture biologique 		<ul style="list-style-type: none"> ▪ Directions départementale et regional de l'agriculture et de la forêt ▪ DIREN ▪ ADASEA ▪ Chambres d'agriculture ▪ Local authorities (Districts) ▪ Organic professional organisations: 	
Region	Professional organisations	Region	Professional organisation
Alsace	OPABA	Ile de france	Gab île de france
Aquitaine	FCAA et GABSO	Languedoc Roussillon	Civam bio LR
Auvergne	Auvergne biologique	Limousin	Gablim
Basse-Normandie	Grab	Lorraine	CGA de Lorraine
Haute-Normandie	Grab	Midi pyrénées	GDAB MP
Bourgogne	Cgab	Nord Pas de calais	Gabnor
Bretagne	Frab	Pays de loire	CAB
Centre	Biocel	Picardie	AABP
Champagne-Ardenne	Gabca	Poitou Charentes	Agribio Poitou Charentes
Corse	Civam bio Corse	PACA	FAC Paca
Franche-Comté	Arabac	Rhone-Alpes	Corabio

9.1.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Not applicable

9.1.3 Agri-environment schemes (measures) Implemented

	Measure	Start year	Regions	Number of farms at 15 October 1997	Land area (ha) at 15 October 1997
1	Grassland scheme (extensive livestock farming systems)	1993	All	130 407	6 212 275
<i>Regional level programmes</i>					
2	Reduction of inputs	1994	All	(1996) 1 797	(1996) 41 592
3	20 year set-aside for water protection	1994	All	82	564
4	Conversion of arable land into grassland	1994	All	(1996) 1 520	(1996) 5 351
5	Conversion to organic farming	1994	All	1 554	41 976
6	Reduction of stocking density	1994	All	(1996) 975	(1996) 16 691 LU
7	Protection and maintenance of endangered breeds	1994	All	(1996) 1 445	(1996) 9 363 LU
8	20 year set-aside for protection of wildlife (fauna, flora)	1994	All	(1996) 38	(1996) 146
<i>Local level programmes</i>					
9	"Opérations Locales" and "Regional priorities" (upkeep of abandoned farmland; other farming practices compatible with protection of the environment)	1994	All.	(1996) 19 321	(1996) 343 690
10	Training in farming or forestry practices compatible with the environment	1994	All	(1996) 8 700 trainees	na
11	Sustainable Agriculture Plan	1998	All	1 500/year	na
TOTAL REGIONAL AND LOCAL SCHEMES				40 496	754 402
<i>Previous extensification scheme (EC Reg. 4115/88)</i>					
	Conversion to organic farming	1992	All	(1996) 168	na

Source: CNASEA (1997)

na = not applicable

In principle, the specification of regional programmes is identical in all regions (except the local measures and other "regional priorities").

Specifications and premiums have been set by the central government, and the regions can adapt the premiums, but they cannot increase the premium per ha. The regions may then select (a) the programmes they want to offer and (b) the amount of funds allocated within a given budget. In practice there are some local variations.

The grassland extensification payment ("prime à l'herbe") is the priority agri-environment scheme, taking 81% of the budget (1 329 MFRF in 1996). Of the remaining 18% (304 MFRF), the priority is "local operations" (182 MFRF or 60%). There are 217 local/zonal operations with a focus on the protection of fauna and flora. Compared to their predecessors (Article 19), the local measures cover a much wider area. Zonal operations are set up on a local basis and negotiated between local officials, interest groups and farmers. Under 'training', 50 % concerns "water protection", 16 % concerns "conversion to organic farming" and 10% concerns local operations.

Conversion to organic farming represents 27 MFRF (9%). It is more relevant in a few regions: Rhône Alpes (6.44 MFRF), Pays de Loire (8.16 MFRF), Bretagne (11.41 MFRF), PACA (1.36 MFRF), Languedoc Roussillon (5.86 MFRF), Corse (6.17 MFRF) (Source: CNASEA 1997).

The EU extensification regulation (4155/88) scheme to support organic farming was implemented by the Decree N° 92-369, and the "circular ministerial" published on 11th May. Applications had to be submitted by 30th June. The short application period explains the limited success of the programme. Overall, 909 applications were submitted, 211 applications were accepted in 1992. A survey of 190 applications shows that 80% of the surface area was annual crops and 15% was vineyards. 73% of the beneficiaries converted only one part of the farming system and 14% have converted the whole farm.

9.1.4 Details of organic farming scheme

9.1.4.1 Requirements and eligibility conditions

Farmers eligible to participate	Converting <input checked="" type="checkbox"/> Continuing - (Only some regions, e.g. Centre, Nord-Pas de Calais, Ile de France, support continuing organic farming)
Organic certification requirement	<input checked="" type="checkbox"/> 2092/91 approved bodies: Ecocert, Qualité France or FAC (recently created, previously SOCERT) (1992 extensification scheme: Qualité France, Socotec, Ecocert, Bio-contact)
Maximum size/payment limit	- not normally. Some departments have a payment limit, e.g. in Rhone-Alpes region: Drome 10 600 ECU/farm/year, Ardeche 4 550 ECU/farm/year
Minimum size/payment limit	-
Stocking rate limit	<input checked="" type="checkbox"/> 2 LU/ha
Eligible crop restrictions	-
Organic management of livestock	<input checked="" type="checkbox"/> Livestock have to be managed organically to national standards. However, some departmental regulations accept organic fodder crops with livestock managed conventionally
Staged conversion possible	<input checked="" type="checkbox"/> maximum 5 years
Part farm conversion possible	<input checked="" type="checkbox"/> must be distinct production unit (as per 2092/91)
Training and/or advice provided	- Only in some cases, a preliminary analysis has been financed by the local administration.
Other restrictions	- (Vineyards have to be planted with authorised/recommended plants)
Adjustments made to original scheme	<input checked="" type="checkbox"/> New rates of payment agreed in December 1998 in order to enhance uptake by farmers and better reflect costs of conversion.

= yes, - = no

9.1.4.2 Regional variations

All regions have implemented the conversion to organic farming scheme. Although the organic farming measures are centrally co-ordinated, there are some significant regional differences in implementation. Some regions, e.g. Centre, Ile de France, Nord Pas de Calais, support continued organic farming (see relevant STAR documents and payments table below). Provence Alpes Côte d'Azur (PACA) has increased the budget allocated by Ministry of Agriculture for conversion support. Pays de Loire has implemented a special premium for continuing organic farming which is supplementary to the EC Reg. 2078/92 measure.

9.1.4.3 Payment rates for organic farming schemes

Year	Region	Land use/type	Conversion ¹ (FRF/ha)	Max. years	Continuing (FRF/ha)
1992	All	Annual crops	1 200	2	0
4115/88		Vegetables	1 400	2	0
		Cattle	480/LU	2	0
		Olive groves	2 300	3	0
		Vineyards	1 000	3	0
		Perennial crops (citrus/fruits)	4 700	3	0
1995-97	All	Annual area aid crops	1 000	2	0
2078/92		Other annual crops	1 400	2	0
		Pasture and fodder crops	700	2	0
	In a few regions only	Olive groves	3 000	3	0
		Vineyards and market gardens	1 000	3	0
		Perennial crops (citrus/fruits)	4 700	3	0
1995-97	Centre	Annual area aid crops	1 000	2	650
		Other annual crops	1 400	2	900
1997	scheme continuous	Pasture and fodder crops	700	2	300
		Vineyards and market gardens	1 000	3	650
		Perennial crops (citrus/fruits)	4 700	3	3 000
1995-97	Ile de France	Annual area aid crops	1 000	2	800
		Other annual crops	1 400	2	1 100
		Pasture and fodder crops	700	2	300
		Perennial crops (citrus/fruits)	4 700	3	3 700
		Vegetables	1 970	2	1 575

Payment rates for organic farming schemes (cont.)

Year	Region	Land use/type	Conversion ¹ (FRF/ha)	Max. years	Continuing (FRF/ha)
1995-97	Nord	Annual area aid crops	1 000	2	500
	Pas de Calais	Other annual crops	1 400	2	700
		Pasture and fodder crops	700	2	300
1997	scheme continues	High stemmed orchards	700	3	350
		Low stemmed orchards and other perennial crops	4 700	3	2 350
		Market gardens	2 240	2	1 140
		Maximum payment			80 000/farm
1996	Provence-Alpes Cote d'Azur	As national rates			
		Olive groves (added later)	2 000	3	0
1996	Rhône-Alpes	In addition to national rates			
		Chestnut groves (Ardèche)	700	3	0
		Pre-productive perennial crops	2 700	3	0
1998	All	Annual area aid crops	1 190	2	0
		Other annual crops/temp. grass	1 190	2	0
		Market gardens	1 995	2	0
		Permanent pasture	700	2	0
		Citrus	4 700	3	0
		Other perennial crops/vines	5 500	3	0
		Olive groves	3 000	3	0

¹ Organic management must be maintained for 5 years, although payments only made during the specified conversion periods.

9.1.4.4 Adjustments to the rates of payment since scheme was originally implemented

Proposal to increase payment rates by an average of 15% in 1998 as part of action plan for organic farming. This includes treating fodder crops and temporary leys on same basis as annual crops, and improvement in support.

9.1.4.5 Support other than direct income payments as part of organic farming scheme

Advice and information	10% of budget for each agri-environment measure concerns communication
Training and education	Some support for training is provided

9.1.5 Combinations between organic farming and other agri-environment schemes

Optional, except reduced input measure and 20-year set-aside for water protection/managing wildlife. The most important combinations are with grassland extensification (very frequent in livestock systems) and the sustainable agriculture plan (not very frequent; 20 farms in 1996). In the case of combinations with the 'conversion of arable to grassland' measure, the payment is limited to 2 650 FRF/ha.

9.1.5.1 Main requirements and payment levels for combinable or competitive agri-environment measures

	Measure	Main requirements	Typical pay-ment (FRF/ha)	Relationship to organic
1	Grassland extensification scheme	0.3-1.4 LU/ha grassland, min. 3 years maintenance	350	Combinable
<i>Regional level programmes</i>				
2	Reduction of inputs	Reduction of chemical inputs to strictly necessary level, 20% reduction in N fertiliser (40kg N/ha max. for maize), fertilisers as organic manures only, vegetation cover between crops, timing of applications restricted.	800-1 200	Incompatible/ Competitive
3	20 year set-aside for water protection	Eligible fields defined at risk from erosion, nitrate leaching or pollution by regional authorities. No pesticides, only organic manures, maintain vegetation, no production.	3 000	Incompatible
4	Conversion of arable land into grassland	Eligible fields defined at risk from erosion, nitrate leaching or pollution by regional authorities. Only herbicides for broad-leaved weeds, max. 70kg N/ha (100 for grassland), max. 1.4 LU/ha grazing livestock, mowing max. 3x/year, grass may not be used for feed.	2 500 Rates vary depending on contract / land type	Combinable Maximum 2 650 FRF/ha if combined
6	Reduction of stocking density	Only cattle and sheep - payment per LU reduced	1 500/LU	Combinable

Main requirements and payment levels for combinable or competitive agri-environment measures (cont.)

Measure	Main requirements	Typical pay-ment (FRF/ha)	Relationship to organic	
7	Protection and maintenance of endangered breeds and participation in breeding programme. Only stock specifically for breeding, min. number	300-900/LU depending on land use	Combinable	
8	20 year set-aside for protection of wildlife (fauna, flora)	3 000 grassland	Incompatible	
9	Local level programmes	No chemical inputs, restricted organic fertiliser use only, grazing restrictions, vegetation, habitats and water table must be maintained.	200-1 400	Combinable
11	Sustainable Agriculture Plan	Analysis of existing farm system and preparation of whole farm development plan which considers both environmental factors and economic viability.	no data	Combinable - organic included as an option

Sustainable Agriculture Plan (Plan de Développement Durable - PDD)

In 1993, the Ministry of Agriculture started an experiment, financed by the EU as a demonstration project (EC Reg. 4256/88 Art. 8), with the objective of assessing the feasibility of sustainable agricultural development. This experiment involved 1 200 farmers in 59 departments. Advisers from the chambres d'agriculture were concerned also to create a network for technical information on sustainable agriculture. The analysis of the first 205 contracts established in 1996 shows that 48% of the projects are oriented to increase the value-added, and 12% are oriented to organic farming. This percentage is higher in mountain areas (16%). The PDD has therefore played a part in encouraging conversion to organic farming. (Cellule d'Animation des PDD, ANDA, Paris, November 1997). The extension of this plan to 1 500 farmers per year for five years and its funding under EC Reg. 2078/92 are planned by Ministry of Agriculture from 1998 onwards. The PDD represents a very significant shift in the strategy of the Ministry of Agriculture (and of professional organisations) to favour a positive approach to the environment instead of a restrictive one.

There is no national or regional support scheme that directly promotes integrated agriculture. However, some regions have used the "reducing inputs" scheme to encourage integrated production. This is the case in Midi Pyrénées, which has implemented an integrated production option for arboriculture. Requirements and payments (1 200 FRF/ha) are lower than in organic farming scheme, but risks are clearly lower too.

9.1.6 Public expenditure and EU contribution for organic farming and other agri-environment schemes (MFRF)

	Scheme	Year (15/10)	1993	1994	1995	1996	1997	1998	1999
1	Grassland extensification	Budget	nd	nd	nd	nd	nd	1 360	1 360
		Actual	~ 1 000	1 242	1 480	1 368	1 550	na	na
		EU share	~ 500	623	742	686	777	682	682
<i>Regional level programmes</i>									
2	Reduction of inputs	Budget	0	34.7	44.8	62.9	nd	nd	nd
		Actual	0	21.5	nd	46.5	nd	na	na
4	Conversion of arable to grassland	Budget	0	42.7	49.6	48.6	nd	nd	nd
		Actual	0	7.4	nd	17.6	nd	na	na
9	"Opérations Locales"	Budget	0	198	301	328.3	nd	nd	nd
		Actual	0	67	nd	182.5	nd	na	na
	Sub-total 2+4+9	Budget	nd	nd	nd	nd	nd	244	234
		Actual	0	25.6	112	99	319	na	na
		EU share	0	12.8	56	49	160	123	117
5	Conversion to organic farming	Budget	0	0	30.7	45.5	52.6	21.8	21.8
		Actual	0	0	1.5	6.2	26.6	na	na
		EU share	0	0	0.8	3.1	13.3	10.9	10.9
6	Reduction of stocking density	Budget	0	57.4	62.4	52.8	nd	nd	nd
		Actual	0	14.3	nd	25.7	nd	na	na
7	Endangered breeds	Budget	0	6.1	7.1	7.3	nd	nd	nd
		Actual	0	2.2	nd	3.9	nd	na	na
	Sub-total 6+7	Budget	0	0	nd	nd	nd	33.1	33.1
		Actual	0	0	2.6	9.8	40.4	na	na
		EU share	0	0	1.3	5.0	20.4	16.7	16.7
3	20 year set-aside for water protection	Budget	0	3.2	3.6	3.4	nd	nd	nd
		Actual	0	0.2	nd	0.4	nd	na	na
8	20 year set-aside for wildlife	Budget	0	2.4	3.42	2.2	nd	nd	nd
		Actual	0	0.2	nd	0.5	nd	na	na
	Sub-total 3+8	Budget	nd	nd	nd	nd	nd	1.0	1.0
		Actual	0	0	0	0.3	1.3	na	na
		EU share	0	0	0	0.16	0.66	0.5	0.5

**Public expenditure and EU contribution for organic farming and other agri-environment schemes (MFRF)
(cont.)**

	Scheme	Year (15/10)	1993	1994	1995	1996	1997	1998	1999
10	Training	Budget	nd	nd	nd	nd	nd	nd	nd
		Actual	nd	nd	nd	nd	nd	na	na
11	Sustainable Agriculture Plan	Budget	na	na	na	na	na	nd	nd
		Actual	na	na	na	na	na	na	na
Total regional measures		Budget	0	406	518	557	nd	300	290
		Actual	0	26	116	115	388	na	na
		EU share	0	13	58	58	195	151	146
	Extensification (4115/88) organic farming measure	Budget	nd	nd	nd	nd	nd	nd	nd
		Actual	nd	nd	nd	4.8	nd	nd	nd

Sources: 1994-1996 data for schemes 2-9 except 5 (organic): CNASEA, rapport d'activité 1996, p 61; CNASEA, rapport d'activité 1995, p 93. 1994-1999 data for schemes 1, 5 and scheme sub-totals from 2078/92 statistical reporting by Member State to European Commission (prepared by CNASEA). Actual represents mid-year estimate of end-year situation, therefore some variation likely. Forecast for 1998 and 1999 based on existing commitments, excluding possible new entrants. ~ data extracted from graph, therefore approximate (CNASEA, 1997).

na = not applicable, nd = no data available

Almost all of the funds (99%) come from the national budget, the remainder from local authorities.

9.1.6.1 Reasons for adjustments to budget

From 1998, there is an increased commitment to organic and sustainable agriculture programmes, including:

1. the development of the conversion to organic farming measure by increasing the premiums and the total budget to 60 MFRF
2. the development of regional programmes, in particular the very successful "Local Operations" (budget 70 MFRF in order to prolong the actual operations and to promote a few new ones)
3. the development of the "conversion of arable into grasslands" measure.

At the same time, some measures are suppressed, including stocking rate reductions, protection of endangered breeds, and 20-year set-aside for wildlife and water protection.

The changes reflect the proportion of the expenditure (75%) committed to the grassland extensification scheme, as well as the local priorities established by local authorities, the dynamic of farming organisations, and the possibilities of local groups to elaborate projects. The increase in the organic farming scheme is the result of the Ministry's strategy to develop the organic sector – organic farming is now seen as a national

priority following the publication of the Action Plan in December 1997 (see section 9.9).

9.2 Impact of mainstream agricultural support measures on organic farming

9.2.1 Actors

Not applicable

9.2.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Not applicable

9.2.3 Variations in mainstream CAP Reform measures implemented

All mainstream CAP Reform and related measures implemented.

9.2.4 Set-aside management requirements and implications for organic farming

Since 1994, set-aside must be covered by grass mixtures. Vegetation cover has to be implemented during one year, crushed before flowering and exploited as fodder crops after the end of August except for oilseed rape.

9.2.5 Impacts of other measures on organic farming

Globally CAP Reform had a positive impact on organic farming, by helping producers during conversion:

- first, farmers in conversion receive a payment for set-aside
- secondly, organic farmers receive compensatory payments for cereals, when organic production is not directly linked to world markets and not so affected by the drop in prices.

So the CAP Reform reduces the risks of organic farming by providing compensatory payments.

9.2.6 Special provisions for organic/converting producers

No special provisions, although some collective projects on organic farming have used special quotas selectively.

9.2.7 Environmental cross-compliance measures and implications for organic producers

Not applied

9.2.8 Impact of expenditure capping mechanisms linked to regional base areas/numbers on organic farming

Not applicable

9.2.9 Impact of national or regional aids on organic farming

Not applicable

9.2.10 Studies concerning the impact of organic farming on public expenditure

None identified

9.3 Marketing and processing schemes

9.3.1 Legislation which provides/provided support for market and processing

See Section 9.4 for regional and rural development schemes which support market development in the organic sector.

Marketing and processing schemes are integrated into regional policies. In most of the regions the objectives are to structure the organisation and promote organic products.

9.3.2 Organisations/projects which have received funding from market and processing schemes (EU, national and regional)

Data is not available on projects or organisations which may have received funding under EU legislation.

9.3.3 Organisations active in market development within the organic sector

- Interprofession Bio (Bio Convergence)
- FNAB

The above two organisations are the two partners of the French Ministry of agriculture in the implementation of the PPDA BIO "Plan Pluriannuel de développement de l'agriculture biologique pour une agriculture biologique au coeur de l'agriculture française"

- Ministry of Agriculture
- FNCIVAM - the national representative of organisations specialising in organic production. Its market development activities are:
 - to promote the establishment of organic products marketing and processing system
 - to facilitate the promotion of organic products through farmers
- Nature et Progrès
- APCA - the national organisation of all Chambers of Agriculture
- Producer organisations: CORABIO, GRAB, CIVAM
- Supermarkets - Carrefour, has developed an initiative to source organic products and market them under their recently introduced label, Carrefour Bio. To ensure adequate supply, Carrefour will support the development of 30 small organic farms. Carrefour is collaborating on the project with three banks, which are responsible for the development of business plans, financing the enterprise, and recruiting farmers AUCHAN hypermarket has formed a partnership agreement with APCA and farmers to develop organic beef and sheep production.

9.3.4 Public expenditure

No data available

9.4 Regional and Rural Development Schemes

9.4.1 National/regional legislation (not EU-derived-see main text for details of EU legislation)

1. PIDA Bio, Rhône-Alpes (part of the national PIDA programme - Integrated Programme for Agricultural Development)
2. Organic farming assistance programme, Pays de Loire
3. The region of PACA has not implemented a global programme for organic farming, but provides subsidies to the farmers' organisations GRAB and FAB, Chambre Régionale d'Agriculture for the following activities: experimentation, biological pest management. PACA regional funding to organic farming is about 1.4 MFRF per year for research and development, advice and extension.

9.4.1.1 Objectives of national/regional legislation

1. The PIDA (Integrated Programme for Agricultural Development) is a regional policy set up in 1990 aiming to develop regional production to meet specific areas of market demand.
2. The regional project in Pays de Loire is orientated in three directions: to encourage the settlement of new farms, to improve competitiveness, to encourage marketing organisation and promotion of products.

9.4.2 Organisations/projects which have received funding from regional or rural development schemes (EU, national and regional)

PIDA

The PIDA Agriculture Biologique (PIDA Bio) is one of the 50 projects implemented under the PIDA programme in the Rhône-Alpes which expressly targets organic agriculture. PIDA Bio was introduced in 1997 under the management of CORABIO, the Regional Chamber of Agriculture and Bioconvergence with the aim of reducing the gap between supply and demand at a national and regional level by increasing the number of organic farms (from 500 in 1997 to 1 000 in 2 000) and area (from 7 000ha in 1997 to 21 000ha in 2 000).

Pays de Loire programme

This programme has been negotiated between professional organisations (Interprofession agrobiologique, Chambre Regionale d'Agriculture and co-operatives) and financial institutions (region, State, Department, EU).

Objective 5b

A few collective organic farming projects have been funded under European Objective 5b funds through the Rural Development Programme (PDR). In the Rhône Alpes region, organic farming support is a clearly stated objective of the PDR programme and two departments have developed initiatives specifically for organic farming:

- Department of Drôme: Action 1.4 "Développer une filière agri-biologique" (technical advice, material equipment, commercialisation and promotion, composting area): 3.8 MFRF (budget), 1.4 MFRF (actual)
- Department of Isère: Action 1.4 (technical advice, investment support) has budgeted 2.9 MFRF for this action but so far nothing has been spent.

The PIDA Bio programme also receives some funding under the PDR programme.

LEADER programme

Two projects have also been funded within the LEADER programme:

- Terre Vivante: centre of European ecology in Rhône-Alpes Region
- Cheese co-operative in the Parc Naturel Regional du Haut Jura, in the Franche-Comté region.

In the Rhône Alpes region, the following organisations are receiving funding from Europe to develop their activities, in particular organic farming:

- Chambres d'agriculture have received EU funding (PDR 5B Rhône Alpes)
- Bioconvergence (downstream production) have received regional funding (PIDA Bio Rhône Alpes)
- Farmers organisations (CORABIO in Rhône Alpes) have received regional funding (PIDA BIO, specific actions on experimentation, research and investigation, but not about market)
- A number of private firms, specially in distribution and transformation may have received European and regional funding but no detailed information has been obtained (PDR, LEADER, EC Reg. 866/90)

Local authorities: Regions and Departments have part financed the above actions

9.4.3 Public expenditure (MFRF)

Project	Year	Forecast							
		1993	1994	1995	1996	1997	1998	1999	2000
PIDA ¹ (Rhône Alpes)	Budget:	na	na	na	na	2.4	2.4	2.4	2.4
	Actual:					nd	nd	nd	nd
	EU %:					30%	30%	30%	30%
	EC Reg:					Obj 5b	Obj 5b	Obj 5b	Obj 5b
PDR ² Rhône-Alpes, excl. PIDA funding	Budget:	na	1.34	1.34	1.34	1.34	1.34		
	Actual:		0.38	0.38	0.38	0.38	nd		no data
	EU %:		nd	nd	nd	nd	nd		
	EC Reg:		Obj 5b	Obj 5b	Obj 5b	Obj 5b	Obj 5b		
Pays de Loire	Actual:	0.7	5	4.3	5.1	2.3	5.1	6.1	na
	EU %:	nd	54%	25.6%	27.6%				
	EC Reg:	2078	2078	2078	2078	nd	nd	nd	
PACA	Actual:	na	na	1.4	1.4	1.4	1.4	na	na
LEADER	Actual:	no figures available							
Total	Budget:		1.34	1.34	1.34	5.14	10.24	8.5	2.4
	Actual:	0.7	5.38	4.68	6.88	2.68			

na = not applicable, nd = no data available

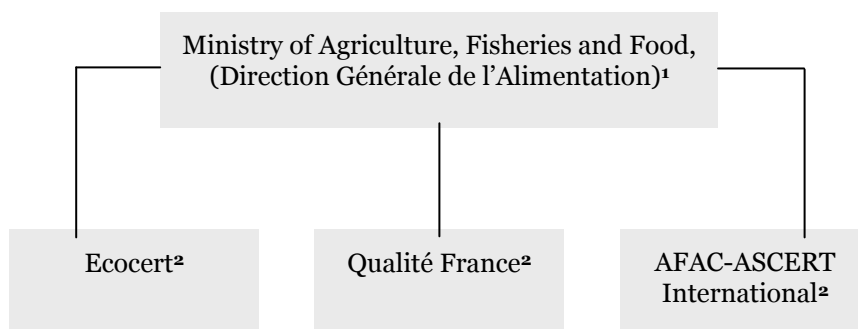
¹ Public expenditure forecast in Rhône Alpes within PIDA Bio is about 6.4 MFRF from the Region, 3 MFRF from Europe (PDR), and 0.3 MFRF from Chambres d'Agriculture. (budget for 4 years 1997-2001).

² In the Rural Development Program (PDR 5B Rhône Alpes), two departments (Isère, Drôme) have planned to invest in organic farming with a budget of 2.9 MFRF and 3.8 MFRF for 5 years (1994-1999). At the end of 1997, only 1.5 MFRF has been spent in Drôme and nothing in Isère.

9.5 Organic production standards, inspection and certification

9.5.1 Actors

9.5.1.1 Main bodies involved in administration, inspection and certification



¹ Competent Authority responsible for administration of EC Reg. 2092/91

² Inspection and certification

The Ministry of Agriculture recognises three private organisations for inspection and certification purposes. These organisations certify to EC Reg. 2092/91 standards for crop production and national Ministry of Agriculture standards for livestock production (see below). Enterprises which have been certified by one of these organisations are then entitled to use the official state logo 'AB' (*Agriculture Biologique*) which was first introduced in 1984.

9.5.2 National definition for organic farming (not EC Reg. 2092/91)

9.5.2.1 National legislation defining organic farming

Organic farming was first recognised in France with the Ministry of Agriculture Law No. 80502 (04.07.1980). The first standards specifications for crop production were officially approved in 1986 and the law passed in 1988 protects the "AB" logo and specifies conditions of use. Standards for livestock production were officially approved in 1992. So far standards for milk and dairy products, poultry, eggs, veal calves, sheep, rabbit, beef cattle, suckler cows, dairy ewes and pig production have been approved. The standards for crop production have now been replaced by EC Reg. 2092/91.

9.5.2.2 Non legal national definition of organic farming

None

9.5.3 Financial support towards inspection and certification costs

Contributions to certification costs have been available since 1993. Each producer receives a certain amount of this support (850 FRF in 1993, 650 FRF in 1994 and 1995, 440 FRF in 1996) which is given to the inspection bodies and is then deducted from the inspection fees. In 1996, a total of 2.25 MFRF was paid to inspection bodies for the year 1995.

There is no financial support given to processors or other operators.

9.5.4 Average inspection and certification costs (FRF)

Producers (excl. tax):

Ecocert: from 1 400 (minimum) to 3 100 (maximum)

Qualité France: 1 650 (average cost)

AFAC-ASCERT International only inspects processors

Processors: data not available.

Retailers: no inspection and no certification for retailers

9.5.5 Public expenditure for the administration, inspection and certification under 2092/91 or any national definition (MFRF)

No data on administration costs is available

Year	Forecast						
	1993	1994	1995	1996	1997	1998	1999
Support of certification bodies	nd	nd	nd	2.25	nd	nd	nd

nd = no data available

9.6 Advice and extension**9.6.1 National/regional programmes**

None

9.6.2 General provision of extension

Currently there are four organisational forms for organic farming extension/information:

- In the beginning, when the organic approach was not widely recognised, producers formed regional groups (GAB) which are federated in a national network FNAB. Developed as a general self-help approach, these groups are still active despite other channels for the provision of advice, but now mainly focusing on marketing issues.
- The *chambre agricole* in most regions employ one specialist for organic farming, their work is overseen by a national co-ordinator for organic farming in APCA, the national umbrella organisation for the chambers of agriculture.
- CIVAM (Centre d'Information et de Vulgarisation Agricoles) an organisation that is specialised in training and rural development became more interested in the late 80ies and has now got organic farming advisors in some regions mainly in the south of France and some national specialist. The service is similar to that of the chambers of agriculture.
- In addition there are some private consultants, which might also work in other Mediterranean countries.

There are currently approximately 100 full time posts in advice for organic farming (Reynaud, 1998).

9.6.3 Public expenditure

No data available

9.7 Training and education

9.7.1 National/regional programmes

None

9.7.2 General provision of training

- Some agricultural high schools (*lycée agricoles*) have been involved in organic farming on their experimental farms. There have been several training initiatives since the Department of Agriculture gave more autonomy in the curriculum to the local schools in 1984. *Lycées agricoles* now provide some initial training in organic agriculture, whereas CFPPA (Centre de Formation Professionnelle pour Adultes) provides continuous education.

- Two colleges provide technical qualifications in organic farming and horticulture.
- Formabio is a network of teachers and institutions with the aim to exchange experiences on teaching organic farming and provide information about the various possibilities.
- ISARA is a partner in the curriculum development group at European level.
- Various training places provide short courses for farmers.

9.7.3 Public expenditure

No data available

9.8 Research and development

9.8.1 National/regional programmes

None

9.8.2 General provision of research

- Organic farmers formed local groups that were involved in regional experiments, sometimes in collaboration with agricultural schools but often without the involvement of other scientists and formed a national network (FNAB). Examples include GRAB (concerned with fruit and vegetable production) and GEPAB (which carried out multidisciplinary work in Brittany).
- ITAB was founded in 1982 as a technical institute for the organic sector, with the aim to facilitate connections between farmers and research and to disseminate research results at national level. Since 1989 it has a federal structure and is now one of the major actors in research in the organic field. Part of ITAB is a documentation service on organic agriculture GEYSER. Since 1988, ITAB has not carried out any research, but co-ordinates applied work that is carried out by several conventional technical institutes (farmers' R&D organisations) such as CTFIL (*Centre Techniques Interprofessionnel des fruites et Légumes*), ITCF (*Centre Techniques des Céréales et des Fourrages*) and ITV (*Institute Techniques de la Vigne*) and *Institut de l'Evage*.
- ISARA is a partner in two EU research projects.

9.8.3 Public expenditure

No data available

9.8.4 General comments

The development of research in France is characterised by the lack of continuous involvement of the main agricultural research institution INRA, with the exception of one marketing specialist. There have been several reasons suggested why this is so, mainly the lack of dialogue between the scientific establishment and the organic farming organisations and different objectives (disciplinary excellence versus applied research).

Girardin (1990) summarised all attempts for organic farming research within INRA and came to the following conclusions: Scientific disciplines vary in their sensibility towards organic farming: economists and sociologists, zoologists have been willing to work with the subject, whereas the more traditional agricultural disciplines (such as agronomists, microbiologists) have been more reluctant to get involved. The organic sector, due to a lack of structure has not been able to effectively utilise findings from other research or express clear research questions. The dogmatic approach of the organic sector has made the dialogue difficult.

9.9 Future policy developments

Future policy direction is strongly related to the 'Plan of development 1998-2002' which was announced by the Minister of Agriculture on 12/12/97. This plan is based on the paper by Riquois (1997) and is in the process of implementation, after a consultation period with the organic farming organisations took place at the beginning of 1998. The plan reflects developments in market demand rather than a response to farmers' demands.

The aim of the programme is to have 25 000 organic farmers and an area of 1 Mha organic by 2005 (3% of UAA and 5% of farmers, compared with 120 000 ha, 4 000 farms and 0.4% UAA in 1997). The internal market, estimated at 4 000 MFRF in 1996, could reach 15 000 MFRF by 2000 (3-5% of market) - the market grew by 20% in 1997. Support for organic farming will increase from 15 to 60 MFRF in 1998 (direct payments to farmers - estimated increase in annual conversion rate from 600 to 2 000 farms), with a further 30 MFRF support for market development.

In the action plan, support for organic farming is justified on the basis of:

- imbalance in supply and demand
- complementarity with conventional agriculture and as a role model for sustainability
- time required to convert and establish marketing networks

- the existence of the national AB logo providing a clear identity for organic products.

The goal is for France to regain first place in the European league table for organic farming by emphasising France's natural advantages in terms of large markets and large areas with agriculture close to organic farming, and by solving the major organisational, marketing and information infrastructure problems.

Key measures included in the action plan are:

- Harmonisation and improvement of the instruments for regulation and control in France and Europe, in order to avoid competitive disadvantage.
- Increase of organically farmed land area by
 - a) increasing conversion support, in order to improve competitive position relative to other countries and centralising administration of support.
 - b) introducing further measures to support organic farming
- Support for marketing and processing networks, and linkages between conventional and organic farming
- Promotion of organic products, in particular the AB label
- Establishment of the economic and ecological advantages of organic farming
- Strengthening and co-ordination of public support for research and training.

The Ministry has also asked the technical and research institutes to make an effort concerning the development of organic farming. It is difficult to foresee the involvement of these institutes, because until now their interest in organic farming is very small and they do not receive money directly from the government but from farmer levies channelled through the ANDA and the Chambres d'Agriculture.

ANDA is envisaging more support for organic production in future.

Thus one difficulty in the near future will be to adapt an estimated increase in need for advice with the capacity to give advice, training and research, in a very short space of time. Nevertheless, the government's initiative is welcomed by the organic organisations.

9.10 Literature

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10 GB – Great Britain & Northern Ireland

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10.1 Organic farming support under agri-environment and extensification programmes

10.1.1 Actors

10.1.1.1 Organisations Involved In setting up 2078/92 or other organic farming support scheme

- Ministry of Agriculture Fisheries and Food (MAFF)
- Welsh Office Agriculture Department (WOAD)
- Scottish Office Agriculture Environment and Fisheries Department (SOAEFD)
- Department of Agriculture, Northern Ireland (DANI)
- ADAS (now Farming and Rural Conservation Agency FRCA)
- UKROFS registered organic sector bodies
- Elm Farm Research Centre/Organic Advisory Service
- Environmental agencies, environmental and farming NGOs, Universities and other bodies responding to consultation exercise

10.1.1.2 Organisations Involved In operating 2078/92 or other organic farming support scheme

- Ministry of Agriculture Fisheries and Food
- Welsh Office Agriculture Department
- Scottish Office Agriculture Environment and Fisheries Department
- Department of Agriculture, Northern Ireland
- ADAS (now Farming and Rural Conservation Agency)

- UKROFS registered organic sector bodies

10.1.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Not applicable

10.1.3 Agri-environment schemes (measures) Implemented

Scheme	Year started	Regions	Number of agreements to (ha) to 15/10/97	Land area
1 Environmentally Sensitive Areas	1987	Specified zones in England, Wales, Scotland and N Ireland	14 961	1 166 827
2 Nitrate Sensitive Areas	1994	Specified zones in England	410	23 861
3 Countryside Stewardship	Pre 1992	England	4 423	90 950
4 Countryside Premium	1996	Scotland	0	0
5 Tir Cymen ¹	1992	Specified zones in Wales	898	82 877
6 Habitat ¹	1994 (NI: '95)	Yes	1 170	13 534
7 Moorland ¹	1995	Specified zones in England, Wales, Scotland and N Ireland	30	ca. 9 500 ewes
8 Organic Aid	1994 (NI: '95)	All	292	29 127
9 Countryside Access	1994 (NI: '96)	All	127	1 642
10 Arable Extensification	1997	Specified pilot zones in England	na	na

Source: 2078/92 statistical reporting by Member State to European Commission

¹ Planned changes for 1999: Northern Ireland: New Countryside Stewardship scheme to incorporate Habitat and Moorland schemes; Wales: new single agri-environment scheme excluding organic farming (separate scheme);

10.1.4 Details of organic farming scheme

10.1.4.1 Requirements and eligibility conditions

Farmers eligible to participate	Converting <input checked="" type="checkbox"/> Continuing -
Organic certification requirement	<input checked="" type="checkbox"/> UKROFS (2092/91) registered organic sector bodies
Maximum size/payment limit	<input checked="" type="checkbox"/> 300 ha
Minimum size/payment limit	<input checked="" type="checkbox"/> 1 ha
Stocking rate limit	-
Eligible crop restrictions	-
Organic management of livestock	-
Staged conversion possible	<input checked="" type="checkbox"/>
Part farm conversion possible	<input checked="" type="checkbox"/>
Training and/or advice provided	<input checked="" type="checkbox"/> Optional - advice available through Organic Conversion Information Service (not 2078/92 supported)
Other restrictions	<input checked="" type="checkbox"/> Environmental guidelines in UKROFS standards must be followed
Adjustments to original scheme	From 1999 payment rates will be increased (see below) and 300 ha maximum limit will be removed

= yes; - = no

10.1.4.2 Regional variations

Yes, primarily in treatment of different types of permanent grassland in less favoured areas.

10.1.4.3 Payment rates for organic farming scheme (GBP/ha)

Year	Region	Land type	Conversion (Years 1/2/3/4/5)	Continuing	Comments
1994-1998	All	Standard	70/70/50/35/25	0	30 GBP/ha/year extra for first 5 ha
1994-1998	England/Wales	Less favoured areas	14/14/10/7/5	0	30 GBP/ha/year extra for first 5 ha
1994-1998	Scotland	Rough grazing	10/10/7/5/5	0	30 GBP/ha/year extra for first 5 ha
1995-1998	N Ireland	Unimproved grassland	10/10/7/5/5	0	30 GBP/ha/year extra for first 5 ha
From 1999 (pro-posed)	All	Arable aid eligible	225/135/50/20/20	0	600 GBP towards certification costs: Year 1: 300 GBP Year 2: 200 GBP Year 3: 100 GBP
		Other crops and improved grassland	175/105/40/15/15	0	
		Unimproved grassland/ rough grazing	25/10/5/5/5	0	
				0	

10.1.4.4 Support other than direct income payments as part of organic farming scheme

Scheme administration	Payments are made to organic sector bodies for their contribution to the organic aid scheme through inspecting and certifying farms and confirming eligibility for aid.
Certification and inspection	Supplement payable on first 5 hectares.
Advice and information	Advice available separately through Organic Conversion Information Service (OCIS) (not 2078/92 supported)

10.1.5 Combinations between organic farming and other agri-environment measures

☐ Optional combinations possible with all schemes

10.1.6 Main requirements and payment levels for combinable or competitive agri-environment measures

	Measure	Main requirements	Typical payments (GBP/ha)	Relationship to organic ¹
1	Environmentally Sensitive Areas (ESA)	Zonal schemes with differing requirements. Tiered payments reflect progressively severe restrictions on inputs and stocking levels. In some cases positive action to enhance specific habitats or landscape features (e.g. stone walls). Public access may also be included. Payments also vary according to current land use intensity within zone.	Restrict inputs: 40-145 Convert improved > extensive grass: 100-225 Arable > grass: 250-300 No crop: 330-415 Public access: 170	Combinable
2	Nitrate Sensitive Areas	Convert arable land to unfertilised grass, grazed or un-grazed; alternatively with limited fertiliser use. Premium grass option Basic options: restricted rotations	Ungrazed: 450-590 Grazed: 420-520 Ltd. ferts: 340-440 Prem. grass: 250 Basic: 65-105	Combinable (mainly with premium grass and basic options)
3 - 5	Countryside Stewardship, Countryside Premium, Tir Cymen	Management, enhancement and recreation of specific habitats and landscape features, as well as facilities for public access. Restrictions similar to ESAs. Payments not usually combinable with ESA payments and may be focused on priority areas.	Managing/enhancing: 20-100 Recreation: 250-280 Access: 150	Combinable
6	Habitat	Management of specific habitats through restrictions on input use and livestock access. Habitats include water fringes, salt marshes, species-rich grassland (Wales), broad-leaved woodland	Withdrawal/ conversion of arable: 245-525 Grassland: 100-240 Woodland: 105-200	Combinable
7	Moorland	Removal of ewes without increasing other livestock	25/LU (30 in N-Ireland)	Combinable
9	Countryside Access	Provision of open field sites and access routes, exclude bulls over 10 months	Open field sites 45 Access routes 90	Combinable
10	Arable Extensification Pilot	Overwintered stubbles, followed by spring/summer fallow undersown spring cropping, followed by one year ley Conservation headlands and limits on pesticides and fertilisers wildlife/grass strips, field margins beetle banks	55-90 485 180-200 420 20 80-130 450-500 200	Combinable, Organic farming specifically identified as option. (Payment rates higher than organic)

Source: Individual scheme information packs for 1997; Deblitz and Plankl (1997)

¹ Most schemes offer better payments relative to scheme requirements than organic and therefore competitive at first sight, but greater awareness now of potential for combinations

10.1.7 Public expenditure and EU contribution for organic farming and other agri-environment schemes (MGBP)

	Scheme	Year	to 1/4	to 1/4	to 1/4	to 1/4	to15/10	to15/10
			1993	1994	1995	1996	1996	1997
1	ESAs	Budget	nd	nd	nd	nd	nd	nd
		Actual	13.96	19.59	23.21	35.67	35.99	41.78
2	NSAs (England)	Budget	nd	nd	nd	nd	nd	nd
		Actual	0	0	0	2.38	2.60	3.24
3	Countryside Steward. (Eng.)	Budget	nd	nd	nd	nd	nd	nd
		Actual	3.95	8.65	11.55	11.90	4.35	6.77
4	Countryside Premium(Scot)	Budget	nd	nd	nd	nd	nd	nd
		Actual	0	0	0	0	nd	nd
5	Tir Cymen (Wales)	Budget	nd	nd	nd	nd	nd	nd
		Actual	0	1.54	2.94	3.50	4.80	4.30
6	Habitat	Budget	nd	nd	nd	nd	nd	nd
		Actual	0	0	0	0.95	1.67	2.41
7	Moorland	Budget	nd	nd	nd	nd	nd	nd
		Actual	0	0	0	0	0.12	0.42
8	Organic Aid	Budget	nd	nd	nd	nd	nd	nd
		Actual	0	0	0.03	0.33	0.43	0.57
9	Countryside Access	Budget	nd	nd	nd	nd	nd	nd
		Actual	0	0	0	0.05	0.07	0.08
10	Arable Extensification	Budget	nd	nd	nd	nd	nd	nd
		Actual	0	0	0	0	nd	nd
Payments to farmers (total)		Budget	nd	nd	nd	nd	nd	nd
		Actual	17.91	29.78	37.73	54.78	50.03	59.56
		EU%	50	50	50	50	50	51
Monitoring and running costs		Budget	nd	nd	nd	nd	nd	nd
		Actual	15.36	17.34	19.99	20.56	nd	nd
TOTAL incl. monitoring costs		Budget	nd	nd	nd	nd	nd	nd
		Actual	33.26	47.12	57.71	75.32	nd	nd

Source: 1993-1995 data: House of Commons Agriculture Committee (1997); 1996, 1997 data: 2078/92 reporting by Member State to European Commission

na = not applicable, nd = no data available No forecasts available as all future budgets subject to 1998 comprehensive spending review.

10.1.7.1 Reasons for adjustments to budget

Lower than expected uptake initially resulted in reduced budgets for several programmes because of the reductions in advance commitments. Payment rates were increased for a number of schemes (including Moorland and some ESAs) to encourage greater uptake.

10.1.8 General comments

The organic aid scheme has suffered from low uptake rates, in part because of low payment levels, particularly in the Less Favoured Areas in England and Wales. This problem was less serious in Scotland as the lower rate payments were restricted to rough grazing only. The organic aid scheme has also been criticised for its failure to include maintenance payments for farmers continuing with organic production. Although payment rates for other schemes have been adjusted to encourage higher uptake, this has not yet happened for the organic aid scheme and it is likely to be 1999 before higher payment rates become available. The low payment rates have been mitigated by special derogations for organic producers in the mainstream measures (see below) and by the ability to combine organic farming with all the other agri-environment schemes. The improved market situation for organic products, the worsening financial situation for conventional farmers as a result of BSE and the increase in value of the pound, and the availability of information to conventional producers through OCIS, have resulted in significant farmer interest during 1997, despite the low payment levels.

10.2 Impact of mainstream agricultural support measures on organic farming

10.2.1 Actors

10.2.1.1 Organisations Involved In adapting mainstream measure for organic farming

- Elm Farm Research Centre/Organic Advisory Service
- MAFF/WOAD/SOAEFD/DANI (see section 1 for full titles)
- ADAS (now FRCA)
- UKROFS registered organic sector bodies

10.2.1.2 Organisations Involved In operating adaptations to mainstream measures for organic farming

- MAFF/WOAD/SOAEFD/DANI
- ADAS (now FRCA)

10.2.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Not applicable

10.2.3 Variations in mainstream measures implemented

All mainstream measures implemented except male calf processing scheme, implemented in 1996.

Special provisions implemented for beef producers following BSE crisis in 1996.

10.2.4 Set-aside management requirements and implications for organic farming

Vegetation cover normally required, through natural regeneration, sowing grass, sowing a wild bird cover, sowing another acceptable cover. Natural regeneration may be used after a cereal crop (excl. maize) or after herbage seed. Legumes not permitted. Sown covers: max. 5% legumes. Wild bird cover must be mix of two crop types, e.g. cereals and brassica. Organic farmers may ask for exemption to use more than 5% legumes, and may cultivate land to control weeds after 1st May (normally after 1st July).

10.2.5 Impacts of other measures on organic farming

Some organic farmers have been able to make creative use of support payments, in particular arable area payments, to enhance incomes. In particular, the inclusion of protein crops within the rotation has been stimulated in this way. At the same time, the potential for overall reductions in eligibility for arable area payments when converting from conventional to organic arable systems has deterred some producers. More recently, special provisions for organic producers have reduced this problem (see below). Livestock producers losing headage support payments as a result of reducing stock numbers have not been able to partly compensate through quota sales and the transfer of sheep quota to ewe lambs. The low level of organic aid scheme payments in less favoured areas and the lack of eligibility for arable area payments on many

livestock farms mean that the compensation from other sources is negligible.

10.2.6 Special provisions for organic/converting producers

Special provisions include:

- Inclusion of clover in set-aside mixtures above 5% limit
- Eligibility for suckler cow quota from national reserve (low priority)
- Eligibility for sheep quota from national reserve (low priority)
- Set-aside land cutting and cultivation requirements modified (see above)
- Rotation of eligible arable area

The flexibility introduced into set-aside management has allowed organic farmers to utilise set-aside payments to support the fertility building phase of the rotation. In many other European countries, this is possible without special provisions, as the restrictions on the use of legumes in set-aside land on all farms are less severe. The earlier cultivation permission for set-aside recognises that organic farmers cannot use herbicides for weed control.

Although access to quota for beef and sheep has theoretically been possible since 1995, the priority given to organic farmers was relatively low, and it is only recently that sufficient quota has become available to make a difference.

Rotation of eligible arable area recognises that organic farmers operating a rotational system might have had some land in grass leys at the time that the arable areas were originally defined. The total area of eligible arable land remains the same.

10.2.7 Environmental cross-compliance measures and implications for organic producers

Conditions to protect against overgrazing have been implemented for livestock headage payments, in particular the hill livestock compensatory allowances. As organic management generally leads to a reduction in stock numbers, the implications for organic farmers have been negligible.

10.2.8 Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming

In the UK, these have affected only maize and oilseed rape, and in 1995 affected beef. The controls on maize payments probably contributed to a decline of interest in this crop on organic dairy farms, following initial interest in 1994. The beef payment restriction did not impact specifically on organic producers, but will have had some impact.

10.2.9 Impact of national or regional aids on organic farming

Not applicable, apart from the special BSE provisions, where the impact on organic farmers is difficult to estimate.

10.2.10 General comments

Initially, the prognosis for the mainstream measures was that the impact particularly on producers converting to organic farming would be negative. This is despite the advantage to low intensity producers of the shift from output to area-based support. In the case of cropping farms, the flexibilities which have been negotiated over time have reversed this situation. This not true in the case of dairy and other livestock farms.

10.3 Marketing and Processing Schemes

10.3.1 National/regional schemes (not EU-derived)

1. Marketing Development Scheme (MDS) was introduced in 1994 as the successor to the Group Marketing Grant (GMG) to provide non capital aid. The scheme is still operational in Scotland, Wales and Northern Ireland but was closed in England in 1996 following the transfer of uncommitted funds to the new Sector Challenge scheme.
2. Sector Challenge is an initiative for various industrial sectors to provide support for the development of technology, markets and finance. It focuses on initiatives that promise to deliver longer-term, sectoral, development rather than support for the development of individual business projects. Priority is given to the provision of support for small and medium-sized enterprises (SMEs). Managed by the Department of Trade & Industry (DTI), sponsoring departments including MAFF will be fully involved in the bids from their sectors. Funds awarded must be matched by industry investment.

10.3.1.1 Objectives

1. To improve the marketing performance of farmers and growers (and others in the supply chain) through 50% grants towards such items as feasibility studies and market research, salary and training costs.
2. Sector Challenge was introduced in an attempt to consolidate funds for business support into one, central fund. This initiative aims to stimulate UK industrial performance.

10.3.2 Organisations/projects which have received funding from market and processing schemes (EU, national and regional)

Marketing Development Scheme

Between 1992 and 1996, seven awards were made under the GMG, later the MDS in the UK. The majority of these awards were to enable companies and co-operatives to conduct feasibility studies into marketing opportunities.

Sector Challenge

Two organic projects were among the successful agri-food bids in the first round of Sector Challenge. One of these projects involves the largest certification body in the UK, the Soil Association whose project aims to encourage the conversion of more UK producers to organic production and to improve the provision of services to existing organic producers so that they can develop their businesses. Through this project the Soil Association hopes to expand the organic supply base by 50% over three years from its present level of 0.3% of UK farm output to 1.5% in 2000.

Processing and Marketing Grant (EC Reg. 866/90 and amendments)

The UK Processing and Marketing Grant (PMG) offers help with capital investments. The PMG was closed in England in March 1996 but continues to operate in the rest of the UK. In the current programme, which runs from 1994 to 1999 seven companies have received awards, four in England, two in Wales and one in Scotland:

- Riverford Farm Vegetables - Development of cold storage and packing facilities for organic fruit and vegetables
- Steven Layn produce - Food processing line for production of organic baby/diabetic foods
- Organic Farm Foods (Wales) - Installation of automatic packing and weighing equipment for organically grown fruit and vegetables
- Alvis Bros. Ltd. - Packing, weighing and labelling equipment for expansion into long shelf life organic cheddar cheese
- Meadow Farms Ltd. - Development of packing facilities for processors of organic milk and cream
- Rachel's Dairy Ltd. - Expansion of organic yoghurt production facilities
- Camphill Village Trust - New equipment for organic creamery

10.3.3 Actors: Organisations active in market development within the organic sector

Examples include (see also above):

- Soil Association

Great Britain (GB)

- Scottish Organic Producers Association
- Organic Farmers and Growers Ltd.
- FRCA (ex ADAS statutory)
- Organic Milk Suppliers Cooperative
- East Anglia Food Link
- Organic Livestock Marketing Co
- Eastbrook Farm (organic meat)
- Development Board Rural Wales
- Welsh Development Agency
- Welsh Organic Foods
- Supermarkets: Sainsbury, Tesco

10.3.4 Public expenditure (MGBP)

Project	Year	Forecast							
		92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00
MDS ¹	Actual:	0.0786	0	0.1813	0.0432	0.1067	nd	nd	nd
Sector Challenge	Actual:	na	na	na	na	na	0.113	0.113	0.113
PMG ²	Actual:				0.4907	0.081	nd	nd	nd
	EC Reg:				866/90	866/90			
Total	Actual:	0.0786		0.1813	0.5339	0.1877	0.113	0.113	0.113
	EU %:	na		nd	nd	nd	nd	nd	nd

na = not applicable, nd = no data available

¹ Market development scheme

² Processing and Marketing Grant

10.4 Regional and Rural Development Schemes

10.4.1 National/regional legislation

None

10.4.2 Organisations/projects which have received funding from regional or rural development schemes (EU, national and regional)

Objective 5b

1. South West: Organic vegetable boxes - to set up and manage an organic vegetable box scheme

2. East Anglia: East Anglia Food Link - Business support programme which aims to promote production, processing and consumption of organically produced food from the East Anglia Objective 5b region
3. Marches: Carbonated cider - aid for new building and new bottling line to produce carbonated organic cider sourced from local apples grown in the Marches Objective 5b area.
4. Wales: Developing organic farming in the uplands (ADAS Wales) - aid to an agricultural advisory organisation to support organic livestock production on Welsh farms including:
 - Demonstrating the environmental benefits
 - Providing training
 - Developing marketing initiatives for organically reared livestock

LEADER

Llanerchaeron Home Farm in Wales has received some LEADER funding to serve as a model farm which will integrate gardens, woodland projects and aims at converting to organic status.

10.4.3 Actors: Organisations active in regional or rural development within the organic sector

- Rural Development Commission
- Development Board for Rural Wales
- LEADER groups

10.4.4 Public expenditure

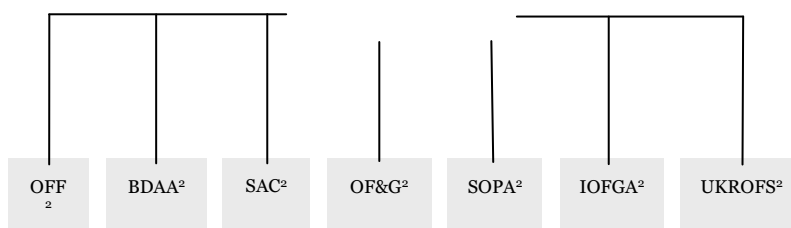
Project	Year	Forecast						
		94/95	95/96	96/97	97/98	98/99	99/00	00/01
Total	Actual:	nd	nd	0.638	0.11	0.11	0.046	0.039
	EC Reg:			Obj. 5b	Obj. 5b	Obj. 5b	Obj. 5b	Obj.5b

nd = no data available

10.5 Organic production standards, inspection and certification

10.5.1 Actors

10.5.1.1 Main bodies involved in administration, inspection and certification



UKROFS (United Kingdom Register of Organic Food Standards); OFF (Organic Food Federation); BDAA (Bio-dynamic Agricultural Association); SAC (Soil Association Certification Ltd.); OF&G(Organic farmers and Growers limited); SOPA (Scottish Organic Producers Association); IOFGA (Irish Organic Farmers and Growers Association)

¹ Competent Authority responsible for administration of EC Reg. 2092/91

² Inspection and certification

UKROFS was established in 1987 at the request of the Ministry of Agriculture, Food and Fisheries (MAFF) to set a common minimum standard for the UK. On implementation of Regulation (EEC) No. 2092/91 it was designated the Competent Authority for administering the EC Regulation. It continues to operate its own inspection and certification system.

10.5.1.2 Private sector bodies operating their own set of standards

Six private sector bodies are recognised by UKROFS to carry out inspection and certification, of which Soil Association Certification Ltd., IOFGA and BDAA are working to their own standards. The other organisations all operate to UKROFS standards. The first guidelines for organic production in the UK appeared in 1967. In 1973, the Soil Association, set up the Soil Association Organic Marketing Company, now Soil Association Certification Ltd., as a private inspection and certification body. The Soil Association standards and symbol have become the most widely used and recognised.

10.5.2 National definition for organic farming (not EC Reg. 2092/91)

10.5.2.1 National legislation defining organic farming

None

10.5.2.2 Non legal national definition of organic farming

UKROFS standards, 1987: Although these standards were not based in legislation, they were designed at the request of the government ministry

MAFF to provide a common minimum standard. The Soil Association standards, first drafted in 1973, provide the most widely used private sector definition. These standards are stricter than the UKROFS standards in the area of livestock feeding and housing.

10.5.3 Prosecutions in breach of 2092/91 legislation or any other national legislation

Although there have been no prosecutions, UKROFS has carried out investigations and delivered warnings.

10.5.4 Financial support towards inspection and certification costs

Payments are made to organic sector bodies for their contribution to the organic aid scheme through inspecting and certifying farms and confirming eligibility for aid. Producers also receive a payment of 30 GBP/ha for the first 5 ha through the EC Regulation 2078/92 as part of the organic aid scheme.

Great Britain (GB)

Average inspection and certification costs (GBP)

Soil Association Certification Ltd. (excl. VAT)

Producers:

Application Fee: 170 GBP

Annual Licensing Fees (on per hectare or turnover basis): 85 GBP min.,
1 200 GBP max.

Group rates (for groups with combined turnover of 10 000 GBP):

Application fee: 170 GBP +25 GBP per applicant

Annual licensing fee: 120 GBP + 25 GBP per applicant

Processors/packers/distributors:

Application Fee: 300 GBP

Annual Licensing Fee: 0.3% of product sales

Retail operations:

Application Fee: 170 GBP (single shop), 120 GBP (group rate per shop)

Annual Licensing Fees: 120 GBP

BDAA

Application Fee: 50 GBP

Producer inspection fees: 80 GBP average + travel and administration costs

Producer certification fees: Non LFA (Less Favoured Area) =
75 GBP + 2.50 GBP /ha over 20 ha (max. 575 GBP)

LFA = 75 GBP + 1 GBP/ha over 20 ha (max. 275 GBP)

Processors/packers: 50 GBP + travel and administration costs

On farm = 35 GBP/ha

OF&G and **OFF** fees arranged by negotiation

10.5.5 Public expenditure for the administration, inspection and certification under 2092/91 or any national definition (MGBP)

	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Administration	0.096 ¹	0.101 ¹	0.105	0.114	0.120	nd	nd
Support of certification bodies	0.25	0.25	0.070	0.070	0.07	nd	nd
Total	0.346	0.351	0.175	0.184	0.180	nd	nd

nd = no data available

¹ Estimates

10.6 Advice and extension

10.6.1 National/regional programmes

The Organic Conversion Information Service (OCIS) in England and Wales was implemented in England in July 1996, Wales followed in January '97. Similar schemes were implemented in Scotland (1997) and NI (no clear date as scheme is part of other statutory advisory services).

The aim of the service was to improve information about the organic aid scheme, to ensure that farmers can examine the option of a conversion to organic farming carefully. Under the scheme farmers can receive information (phone helpline, infopack) and free advice (up to 1.5 days). The ministry contracted existing bodies in the organic sector in England and Wales to provide the service. It has been very popular (1 277 enquiries in England during the first year compared to approximately 850 certified organic producers in the UK in 1996).

OCIS is part of the normal statutory advisory services (such as free conservation advice) and did not require any special legalisation. The programme was not included in the UK programme under EC Reg. 2078/92, because fast implementation was envisaged.

10.6.2 General provision of extension

- The main provision In England and Wales is through the Organic Advisory Service based at Elm Farm Research Centre, a private organisation, which is also involved in research. Services include direct advice to farmers, a bulletin, phone advice, subject groups and a demonstration farm network. Most advice is charged at cost covering rate (approx. 300 GBP per day). The Organic Advisory Service is contracted to provide farm visits under OCIS.

- ADAS -Wales supplies some advice, runs the regional organic group (Objective 5b funded), and is contracted for farm visits under OCIS-Wales.
- SAC (Scottish Agricultural Colleges) provides advice in Scotland as part of their general extension activities that are supported by the Scottish Office, such as conservation advice. For organic farming there is one co-ordinator and 7 regional advisors, who recently received training in the area of organic farming. The service includes direct farm visits as well as a phone help line and courses.
- In Northern Ireland advice is offered through Greenmount College but the demand for it has been very low.
- All certification bodies supply their members with some information, especially about the requirements of the standards. Most certification bodies support some form of regional groups.
- Some marketing initiatives provide very limited advice to the farmers that supply them with product.
- HDRA provides information and advice about organic horticulture, the main target group are hobby gardeners, even though the research is also aimed at commercial growing.
- A number of individuals work as freelance organic advisors.

10.6.3 Public expenditure (MGBP)

	Year	Forecast						
		93/94	94/95	95/96	96/97	97/98	98/99	99/00
Total extension ¹	Budget	0	0	0	0.13	0.20	nd	nd
	Actual				0.18	0.40		

¹ England and Wales
The Scottish Office provides money for information about the organic aid scheme as part of their normal funding for conservation advice to SAC and could only be estimated.

The budget includes promotion and administration of the OCIS scheme. In the first year the budgeted amount for the help line was too low (envisaged to be part time, turned out full time), where as the budget for visits was not used in the first financial year. Initially the scheme was set up for two years but has been extended now until 2000.

The progressive farming trust and Elm Farm Research Centre have supported the development the Organic Advisory Service. The producer service department of SA (BOF/OGA) received a grant from the DTI under the Sector Challenge Programme, which is aimed at the development of organic markets through widening the producer base (see Section 3).

10.6.4 General comments

There is a lack of support structure for the increasing number of organic farming advisors.

10.7 Training and education

10.7.1 National/regional programmes

None

10.7.2 General provision of training

- Broomfield College (HND organic farming); SA approved, a specialist two year technical course in organic agriculture.
- Two colleges (Lackham and Otley) teach technical courses in organic horticulture (1 year, SA approved) both are planning to expand their teaching in the near future.
- One university (WIRS-Aberystwyth) offers a specialisation in organic agriculture in the final year of a three year BSc rural resources management and will offer the European Degree in ecological agriculture in '98.
- Two other colleges offer Master courses in the field of sustainable agriculture (SAC and Wye College). All of the above and several other agricultural colleges offer some options in the field of organic farming as part of other agricultural, horticultural or related courses (Pershore & Hindlip, Dundee Further Education College, Carmarthenshire Further Education College)
- Emerson College (a private college) teaches currently a 3-month course in bio-dynamic land use.

Several institutions offer one-day introductory courses as well as more specialist courses: Elm Farm Research Centre (incl. training for advisors); SAC; WIRS and ADAS Wales; SA, but there are currently no regular week long courses for farmers.

10.7.3 Public expenditure (MGBP)

	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Total training ¹	0.15	0.19	0.24	0.28	0.28		

¹ The figures are based on estimates for all schools and colleges that teach specialist courses or degree schemes in organic farming. Places that teach individual modules are not included.

10.7.4 General comments

The SA runs a certification scheme for organic courses in agriculture and horticulture, where the land and the course contents are inspected and a symbol for the course is given. However, not all places that teach organic courses are registered. The scheme offers easy access to information and advice on course content and the management of the associated organic units, publicity for the courses and the SA symbol. The fees for inspection are 250 GBP per course +VAT, cover specialist advice on course content and management. The fees are seen as a difficulty by some providers, especially where the organic options are depending on one individual in a larger institution, who does not receive the support of the whole institution.

10.8 Research and development

10.8.1 National/regional programmes

MAFF started to sponsor research and is currently spending about 1 million GBP on organic R&D per year on a number of larger and various smaller projects.

SOAEFD is currently funding 2 projects in the field, WOAD is now funding one, but both have no programme; there is no funding for organic research from DANI.

The strategic objective of MAFF sponsored research is to help promote organic farming as a form of environmentally-friendly production, and to provide a firm basis for Government decisions nationally and within the EU. Specific objectives include the methods, costs and benefits of conversion; identifying sound methods of production and processing, identifying and overcoming the main barriers to commercial organic production; environmental impact of organic farming; other issues relevant issues to the organic sector.

10.8.2 General provision of research

There are a number of research institutions involved in research projects in the organic sector:

- Private Research Institute: EFRC (Elm Farm Research Centre), experimental farm, various projects); Henry Doubleday Research Association (HDRA, various projects in horticulture).
- Colleges and Universities: SAC (Scottish Agricultural College, two experimental farms, various projects); WIRS (Welsh Institute of Rural Studies, one experimental farm, various projects); University of East Anglia, Norwich; VEERLU (Veterinary Epidemiology and Economics Research Unit); Agricultural College Seale Hayne; Royal Agricultural College; University of Manchester.
- Governmental Research Institutes: ADAS -Food farming land and leisure (3 experimental farms at Reedesdale; Terrington; Pwllpeiran); IGER (Institute for Grassland and Environmental Research: one experimental farm near -Aberystwyth, field experiments in Northwick); IACR (Institute for Arable cropping Research, field trials Rothemsted); NIAB (National Institute Agricultural Botany- variety trials); Horticulture Research Institute.
- Other research sites: CWS; Rhoune Poulance, BD-Association; Duchy of Cornwall- Highgrove.

UKROFS (UK-Register for Organic Food Standards) has a research committee that reviewed research priorities in 1995 after intensive consultation with the industry and scientists involved. Since then the committee has not met on a regular basis.

10.8.3 Public expenditure (MGBP)

	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Total research	1	1.35	1.13	1.58	1.48	1.48	1.5

10.8.4 General comments

There is currently a debate about the future role of the UKROFS research committee and how decisions about the spending of public research funding are reached.

10.9 Future policy developments

Organic farming is likely to see increased support, as part of the new Labour government's commitment to support organic farming, for:

- Conversion (through increased payments)

- Advice (through OCIS scheme)
- Marketing (through Objective 5b, Marketing and Processing grants etc.)
- Research (through direct funding of research contracts)

It is not clear at present whether the issue of maintenance payments for continuing organic farmers will be resolved to the satisfaction of the organic sector.

10.10 Literature

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11 GR – Greece

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11.1 Organic farming support under agri-environment and extensification programmes

11.1.1 Actors

11.1.1.1 Organisations Involved In setting up 2078/92 or other organic farming support scheme

Public agencies:

- Ministry of Agriculture, General Directorate of Extension and Research, Directorate of Land Use Planning and Environmental Protection (planning, application, funding and EU approval).
- The State Agricultural University of Athens, Faculty of Agricultural Economics, Department of Agricultural Extension. Researchers assisted in determining the priorities and regions for the application of 2078/92 in Greece.

No private agencies (e.g. organic farming NGOs) involved, although some (DIO and SOYE, inspection and certification bodies, Cretan Agri-environmental Group) were promoting organic farming as an issue of political interest.

11.1.1.2 Organisations Involved In operating 2078/92 or other organic farming support scheme

Public agencies:

- The Ministry of Agriculture, General Directorate of Extension and Research, Directorate of Land Use Planning and Environmental Protection (national level administration).
- The Regional Offices of Agricultural Development (farm level contract administration and control).

- Private organisations:
- 2092/91 inspection organisations (DIO, SOYE, Physiologiki)
- Non governmental organisations or co-operatives (e.g. Cretan Agri-environmental Group) organise the required agri-environmental plan for their members' farms and arrange to fulfil the bureaucratic procedures in order to obtain the relevant subsidy. In some cases, they control the fulfilment of the requirements of 2078/92 for their members.
- Commercial agencies organise production projects, which organise the required agri-environmental plan for the farms of their contracted farmers. This cost is subtracted from the premium prices.
- Independent consultants who prepare the agri-environmental farm plans.

In 1997, an independent Control and Evaluation Committee (including participation from the Universities of Thessaloniki and Athens, the Greek Wetlands Centre, the National Agricultural Research Establishment, the Laboratories, Centres and Institutes of the Ministry of Agriculture, and the Ministries of Agriculture and Environment) was established to assist with monitoring and assessment of the programme.

11.1.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Not applicable

11.1.3 Agri-environment schemes (measures) Implemented

Horizontal (national) programmes: 1, 5, 6, 7;
zonal programmes: 2, 3, 4, 8, 9

	Measures	Start year	Regions	Number of Land area	
				farms	(ha)
				15/10/97	15/10/97
1	Organic Agriculture Aid Scheme	1996 ¹	All, but with priority regions (see Table 11.1.4.1)	889	4 260
2	Nitrogen reduction scheme	1995	Only in the plain of Thessalia (cotton producing area)	1 450	12 043
3	Long-term set-aside	1996	All, with priority to ecologically sensitive areas (Natura 2000)	60	18 500
4	Conservation of rare farm animal breeds	1997	Regional	0	0
5	Prevention of soil erosion, livestock extensification, restoration of burned farmland, care of abandoned farmland	In preparation	All	na	na
6	Training, education and public awareness	In preparation	All	na	na
7	Conservation of rural landscape	In preparation	Regional	na	na
8	Preservation of varieties of species and cultivated plants	Not yet approved	Not known	na	na
9	Conservation of biotopes of special importance	Not yet approved	Regional	na	na

Source: 1997 data: 2078/92 statistical reporting by Member State to European Commission

na = not applicable

¹ back-dated to 1995

11.1.4 Details of organic farming scheme

11.1.4.1 Requirements and eligibility conditions of organic farming support scheme(s).

Farmers eligible to participate	Converting <input type="checkbox"/> Continuing <input type="checkbox"/>
Organic certification requirement	<input type="checkbox"/> Ministry approved inspection/certification bodies (DIO, SOYE, Phisiologiki)
Maximum size/payment limit	-
Minimum size/payment limit	-
Stocking rate limit	-
Eligible crop restrictions	<input type="checkbox"/> Grassland excluded
Organic management of livestock	- Animal husbandry not included in organic farming yet
Staged conversion possible	<input type="checkbox"/>
Part farm conversion possible	<input type="checkbox"/>
Training and/or advice provided	<input type="checkbox"/> A programme for training is being prepared including a training scheme for those farmers who had participated in the organic farming scheme.
Other restrictions	<p><input type="checkbox"/> Environmental improvement plan prepared by a qualified agronomist must be submitted, and a diary concerning agricultural activities and environmental observations must be kept.</p> <p>Farms with a contract with an approved inspection body for 1993-1996 could receive payments from 1995 onwards.</p> <p>Farms whose contracts started in 1996 or 1997 are eligible only if their land is situated in:</p> <p>a) areas of Natura 2000 network (initially excluded); b) within 1 km of coasts; c) within 600 m from lake shores; d) within 300 m of river banks; e) islands except plains of Crete and Evia; f) mountainous (> 600m) or semi-mountainous (200-600m) areas of mainland.</p> <p>If the number of hectares does not meet national targets, then many other certified producers become eligible. The targets are: 1995: 3 200 ha, 1996: 1 800 ha, 1997: 1 000 ha (Total: 6 000 ha).</p>

Requirements and eligibility conditions of organic farming support scheme(s) (cont.)

Adjustments made to scheme	<p>In 1998, a revised organic farming scheme was approved by the Commission (STAR, 1998). This revision:</p> <ul style="list-style-type: none"> ▪ extends the areas eligible for aid (in particular correcting an administrative anomaly which led to Natura 2000 zones being excluded), ▪ increases uptake target (while recognising current limitations of market demand and certification capacity) ▪ decentralises administration to Prefectural level, with specific targets for individual crops up to 200 ha/Prefecture. ▪ modifies payment rates (see below)
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☐ = yes, - = no

11.1.4.2 Regional variations

Yes, in terms of eligibility – see above

11.1.4.3 Payment rates for organic farming scheme

Year	Region	Land type	Environmentally sensitive areas (GRD/ha)	Other areas (GRD/ha)
1995	All	Extensive olive groves	48 950	46 800
	All	Intensive olive groves	114 050	109 100
	All	Vineyards	244 300	233 750
	All	Table grapes	246 400	235 500
	All	Sultana raisins	197 800	189 400
	All	Korinthian currants	213 650	204 500
	All	Fruit trees	246 400	246 400
	All	Citrus trees	352 000	352 000
	All	Arable land	52 800	52 800
	All	Horticultural crops, legumes, forage crops, curcubitae, industrial crops	88 000	88 000
1996/ 1997	All	Extensive olive groves	52 300	50 050
	All	Intensive olive groves	121 950	116 700
	All	Vineyards	261 250	249 950
	All	Table grapes	263 550	251 850
	All	Sultana raisins	211 550	202 500
	All	Korinthian currants	228 500	218 750
	All	Fruit trees	263 550	263 550
	All	Citrus trees	376 450	376 450
	All	Arable (cereals etc.)	56 450	56 450
	All	Horticultural crops, legumes, forage crops, curcubitae, industrial crops	94 100	94 100

Year	Region	Land type	Environmentally sensitive areas (ECU/ha)	Other areas (ECU/ha)
1998	All	Extensive olive groves	257	245
	All	Intensive olive groves	391	374
	All	Extensive vines	503	481
	All	Table grapes	845	808
	All	Sultana raisins	679	650
	All	Korinthian currants	733	702
	All	Other vines	838	802
	All	Fruit trees	845	845
	All	Citrus trees	845	809
	All	Walnuts, chestnuts, almonds	483	462
	All	Cereals in mountain areas	128	123
	All	Cereals in lowland areas	181	181
	All	Lentils, legumes, processing tomatoes	302	302

Set-aside as part of a 5 year crop rotation, receives a payment equal to the payment for the crop which follows.

In the case of intercropping, only the main crop is subsidised. In the case of mixed cropping, the payment is calculated according to the share of each crop in the plot.

11.1.4.4 Adjustments to the rates of payment since scheme was originally implemented

There was a small increase to the rates of payment from 1995 to 1996 reflecting the inflation rate.

11.1.4.5 Support other than direct income payments as part of organic farming scheme

Training and education	A program for education in the framework of 2078/92 is in preparation. The proposal for this project has not been completed. Its aim is to provide the required technology to the farmers participating in the 2078/92. When this programme starts, organic farmers can have training for the required technology to be used in organic farming.
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11.1.5 Combination between organic farming and other agri-environment schemes

Optional

11.1.5.1 Main requirements and eligibility conditions for combinable or competitive agri-environment measures

	Measure	Main requirements	Typical payments	Relationship to organic
2	Nitrogen reduction scheme (Thessaly)	Only cotton producers. Reduce N fertiliser to 103 kg/ha, with restriction on type, timing and level of individual applications. Limits on other fertilisers, rotations, and irrigation	78 300 GRD/ha	Combinable
3	Long-term set-aside	Areas proposed for Natura 2000 such as lake and river banks, coastal areas	Depending on previous land use 724.5-784 ECU/ha	Combinable
4	Conservation of rare farm animal breeds	Available throughout Greece, but with centres for specific livestock breeds	Cattle/horses: 120.8 Sheep: 78.9 ECU/LU	Combinable
5	Prevention of soil erosion, etc.	In preparation, details not available	nd	Combinable
6	Training, education and public awareness	In preparation, details not available	nd	nd
7	Conservation of rural landscape	In preparation, details not available	nd	Combinable
8	Preservation of varieties of species and cultivated plants	In preparation, details not available	nd	Combinable
9	Conservation of biotopes of special importance	In preparation, details not available	nd	Combinable

nd = no data available

11.1.6 Public expenditure and EU contribution for organic farming and other agri-environment schemes (MGRD)

Scheme	Year	1995	1996	1997	1998	1999
1 Organic Agriculture Aid Scheme	Budget	500	500	500	nd	nd
	Actual	0	850*	1 314.8	na	na
2 Nitrogen reduction scheme	Budget	1 232	1 232	1 232	nd	nd
	Actual	0	1 150*	1 715.5	na	na
3 Set-aside	Budget	0	2 292	2 292	nd	nd
	Actual	0	800	1 103.7	na	na
4 Conservation of rare breeds	Budget	0	0	437	nd	nd
	Actual	0	0	0	na	na
5 Soil conservation, extensification, and abandoned farmland	Budget	0	0	0	nd	nd
	Actual	0	0	0	na	na
6 Training, education and awareness	Budget	0	0	0	nd	nd
	Actual	0	0	0	na	na
7 Conservation of rural landscape	Budget	0	0	0	nd	nd
	Actual	0	0	0	na	na
8 Preservation of plant varieties	Budget	0	0	0	nd	nd
	Actual	0	0	0	na	na
9 Conservation of important biotopes	Budget	0	0	0	nd	nd
	Actual	0	0	0	na	na
Total	Budget	0	nd	nd	6 000	nd
	Actual	0	3 431	4 143	na	na
	EU%	na	75	75	75	75

Sources: Ministry of Agriculture budgets for 1995-1997, and actual expenditure for 1995 and 1996 (*values for 1995 combined with 1996).

1997 actual expenditure, and total agri-environment budget and actual expenditure, from 2078/98 statistical reporting by Member State to European Commission.
na = not applicable, nd = no data available

11.1.7 General comments

It is expected that some regions will start to support schemes for organic farming because of the increasing interest for this type of agriculture. Although there are available resources (funds) for this purpose in many cases, the regional authorities are reluctant to allocate them due to the small numbers of existing farms, lack of information and technology for organic production and uncertainty in organic markets. By the time these problems are resolved, and information for organic farming to the public

becomes more widespread, finance to initiate and run support schemes for organic farming will be more easily and widely available.

11.2 Impact of mainstream agricultural support measures on organic farming

11.2.1 Actors

11.2.1.1 Organisations Involved In adapting mainstream measure for organic farming

None

11.2.1.2 Organisations Involved In operating adaptations to mainstream measures for organic farming

Public agencies only (Ministry of Agriculture, Office of Organic Products and Directorate of Land Use Planning and Environmental Protection as well as Regional Directorates of Agricultural Development).

11.2.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Not applicable

11.2.3 Variations In mainstream measures Implemented

All mainstream measures implemented except male calf processing scheme.

Other mainstream policy measures considered to be significant for organic farming include measures for horticultural production (mainly in greenhouses) (797/85 and 2328/91) and the use of renewable energy resources in greenhouses (1992).

11.2.4 Special provisions for organic/converting producers

None

11.2.5 Environmental cross-compliance measures and implications for organic producers

Not applicable

11.2.6 Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming

Expenditure capping mechanisms have had an adverse impact on organic farming in the case of olive oil - a main product for Greece and a main organic product too. Because of excess production in 1996 in other Mediterranean countries, especially Spain, the available quantities exceed the quantity of olive oil guaranteed and supported by EU. This led to a decrease in the level of subsidies by 100 GRD/kg for farmers producing more than 500 kg olive oil (the average farmer produces more than this quantity) as well as a fall in price.

The impact on organic olive production was adverse as the fall in prices for conventional olive production caused a fall in the price of organic olive oil. This led to economic difficulties for the organic farmers who lost money (subsidy + prices) because of the over-production of conventional olive oil.

11.2.7 Impact of national or regional aids on organic farming

Not applicable

11.3 Marketing and Processing Schemes

11.3.1 National/regional legislation

None

11.3.2 Organisations/projects which have received funding from market and processing schemes (EU, national and regional)

Although there are no specific support schemes for marketing and processing, some organic organisations have received small amounts of funding:

- M.A.I.CH (Mediterranean Agronomic Institute of Chania) was funded to examine the possibilities of market development of organic oil in Europe. M.A.I.CH is active in post-graduate agricultural education (in general). After undertaking a demonstration project on organic olive

oil production and marketing it become interested in organic agriculture.

- The Cretan Agri-environmental Group received regional government funding for participation in the 1st IFOAM World Exhibition of Organic Products in 1996
- Since 1996, a fund has been provided every year by the ministry to help organisations participate in the international organic trade fair Bio-Fach 1997
- Two organisations have prepared funding proposals (for regional and Ministry funding) the outcome of which is not yet known.

11.3.3 Organisations active in market development within the organic sector

(See also above list)

- DIO (inspection and certification body)
- SOYE (inspection and certification body)
- Physiologiki (inspection and certification body)
- Bio-forum (commercial organisation of producers and traders)
- AIGIO Co-op (producer co-operative)
- Lafkos at Pilion (processor of medicinal and aromatic plants)
- Bio-Top at Alexandria (producer/processor co-operative)
- Blauel's project - Commercial project for the production of organic olive oil in Mani, Kalamata, started in 1988. The producers are contracted with Blauel's company, which provides consultancy and advice, to deliver their organic produce. In exchange farmers are paid a premium.
- Cotton project - Similar project to Blauel's for organic cotton production undertaken by a commercial company. One section of the project started in Thrace during 1991/92 and the second in Thiva in 1994. Both are about to terminate since the project failed to achieve any of its aims.
- Organic Farmers of Messara - Member of Cretan Agri-environmental Group. Follows the standard of CAEG in terms of production, processing, standardisation and packaging its organic produce. Active in marketing mainly.

11.3.4 Public expenditure

Not applicable

11.3.5 General Comments

Because there is no public investment for organic farming and there are few organised groups of farmers there is almost no uptake of public funding. Individual farmers, usually with small-scale enterprises have difficulty learning about funding opportunities or of preparing proposals since there is no advisory information centre for organic farming.

11.4 Regional and Rural Development Schemes

11.4.1 National/regional legislation

None

11.4.2 Organisations/projects which have received funding from regional or rural development schemes (EU, national and regional)

There is no substantial funding for regional or rural development related to organic farming. Although in 1996 the Ministry of Agriculture approved the finance of organically produced products (as well as investments relating to standardisation, packaging and marketing) under Objective 1 through the Regional Planning Foundation of Central Macedonia, this was never realised and the RPF never came into being.

The ecological farm of Kria Vrissi in Central Macedonia has received some LEADER funding (ECU 340 000). The farm houses a centre for research, experimentation and training in the area of organic farming.

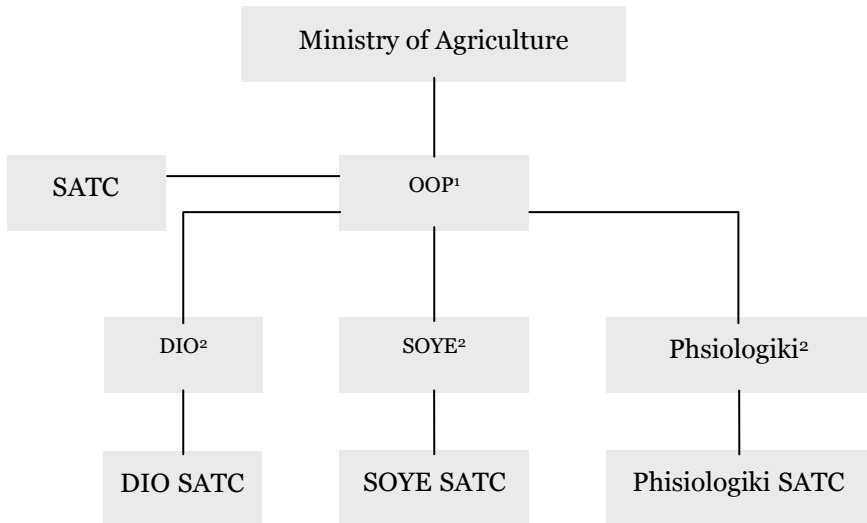
11.4.3 Public expenditure

The total cost of Kria Vrissi is ECU 620 000. LEADER has contributed ECU 340 000. The Municipality of Kria Vrissi has also provided funding.

11.5 Organic production standards, inspection and certification

11.5.1 Actors

11.5.1.1 Main bodies involved in administration, inspection and certification



OOP: Office of Organic Products; SATC: Scientific and Technical Committee; DIO: inspection and certification organisation; SOYE: Hellenic association of ecological agriculture; Phsiologiki: Phsiologiki inspection and certification organisation.

¹ Competent Authority responsible for administration of EC Reg. 2092/91

² Inspection and certification

The OOP in the Directorate of Processing, Standardisation and Quality Control is the designated authority appointed by the Ministry of Agriculture to administer inspection and certification under EC Reg. 2092/91 and control the private inspection bodies.

11.5.1.2 Private sector bodies operating their own set of standards

Three private sector bodies are authorised to carry out inspection and certification: DIO and SOYE. DIO's standards include detailed production guidelines for each crop. Emphasis is placed on organic olive oil and wine production. It has standards for animal husbandry.

There are no details of the SOYE standards.

11.5.2 National definition for organic farming (not EC Reg. 2092/91)

11.5.2.1 National legislation defining organic farming

The first legal definition existed in Greece with the implementation of 2092/91.

11.5.2.2 Non legal national definition of organic farming

None

11.5.3 Financial support towards inspection and certification costs

None

11.5.4 Average inspection and certification costs (GRD)

DIO:

Minimum annual payment:

Tree crops: 45 000

Annual crops: 40 000

Horticulture: 50 000

There are individual arrangements for groups of farmers or co-operatives and for large production or big farms. Also, 1% of the value of the production sold as organic.

Phisiologiki:

Fruit crops: 40 000/ha (for group of farmers 20 000/ha)

Vineyards: 50 000/ha

Arable: 5 000/ha

Crocus (saffron): 60 000/ha

Greenhouses: 100 000/ha

There are discounts for big farms or with little fragmentation as well as for farmers' groups or co-operatives. Also, 1% of the value of the organic production when it is exported.

SOYE: no details

11.5.5 Public expenditure for the administration, inspection and certification under 2092/91 or any national definition (MGRD)

	Forecast						
	1993	1994	1995	1996	1997	1999	2000
Administration	nd	nd	nd	10	nd	nd	nd

nd = no data available

11.5.6 General comments

In Greece, the inspection and certification system started in 1993 after the adoption of the EC Reg. 2092/91 by the state. Greece does not invest any money in organic farming, apart from controlling the implementation of EC Reg. 2092/91. The application of the regulation is the responsibility of the embryonic organic sector as well as the accompanying costs.

11.6 Advice and extension

11.6.1 National/regional programmes

None

11.6.2 General provision of extension

There is no public extension service for organic agriculture.

Advice is provided by companies, in connection with specific products the company buys (such as Olives, in some cases as contract farming) or sells (such as organic fertilisers or approved pesticides).

There are currently three small consultancy firms and about three private consultants that offer such advice especially in organic farming. These are working for individual farmers if they are willing to pay the fees but might also be working on behalf of some companies.

There are some regional/subject related self help groups (e.g. CAEG olive growers) that are supported by private charities.

11.6.3 Public expenditure

No public expenditure on extension.

11.7 Training and education

11.7.1 National/regional programmes

None

11.7.2 General provision of training

There is currently little education and training available.

- at the TEI (Technological Educational College, three years higher education after high school) of Kalamata at the faculty of Plant Sciences, there is already an optional course for organic farming. However, some courses have been approved or are likely to be approved, but there is no firm indication when they will start:
- a course for organic farming at two agricultural schools for farmers (one at Lesbos and one at Komotini);
- Three IEKs (Institutes for Professional Education, 2 years pre-university studies) plan to have a specialisation for organic farming. The programmes of the two of them (Ierapetra - Crete and Vari - Athens) have been approved.

At academic level individual students have been awarded scholarships to study the subject of sustainable agriculture abroad, mainly at postgraduate level.

- Some introductory courses to organic farming by the Centre for Professional Education (KEC) for unemployed receive support through the European Social Fund.
- Private organisations are involved in organising lectures and
- Private foundations (e.g. DIO, SOYE, Cretan Agri-environmental Group) and commercial projects (e.g. the Blauel's project, organic cotton project, Bio-Forum's project for horticultural crops) organise lectures seminars for organic farmers. Expenses are covered by the foundations or commercial partners.

11.7.3 Public expenditure

No data available

11.7.4 General comments

The organic movement regards the situation with respect to training as unsatisfactory and demands more training.

11.8 Research and development

11.8.1 National/regional programmes

None

11.8.2 General provision of research

Research in the organic sector is not very well developed in Greece:

- The state Aristotelian University of Thessaloniki, Section of Biological Sciences, Faculty of Agriculture and Forestry participated in some EU funded concerted action and projects ENOF, DOCEA, Network of research teams on Integrated and Ecological Arable Farming Systems in EU and associated countries.
- The Agricultural Economics and Sociology Research Institute is working on a project/study on “Organic Farming as an Alternative to the Development of Greek Agriculture” (national funds)
- The Hellenic Cotton Organisation undertook a demonstration project for the organic cotton production (EU funded, finished).
- MAICH undertook a demonstration project for the organic olive production in Crete (EU-funded; now finished).
- Foundation CAEG co-operates continuously with research projects namely Ecological Olive Production Systems and participated in the concerted actions for Nature and Landscape Production in the Sustainable/Organic Types of Agriculture.

11.8.3 Public expenditure (MGRD)

	Forecast						
	1993	1994	1995	1996	1997	1998	1999
Total research	0	0	0	0	37.5	37.5	nd

nd = no data available

11.9 Future policy developments

There are two possible scenarios:

A. No policy support and a negative attitude towards organic agriculture, with an increasing interest in integrated agriculture.

B. A policy plan (in the framework of a plan for sustainable agriculture) for organic agriculture support, especially in less favourable and mountainous areas.

In the near future direct payments related to the development of organic sector are not anticipated in Greece. This is because the development of agriculture is not the first priority of the Greek state. Besides, the economic situation of the country does not allow direct payments to the agricultural sector from national sources. There is only a small chance for direct payments if there is money for such payments from the EU as well. Producers and producers' groups will have increasing access to indirect payments distributed through EU programmes such as LEADER.

There will be closer co-operation between and involvement of public bodies in standards and certification, as the organic sector grows. This is because the state will pay more attention but also will tend to control the new emerging industry better.

The market will continue to grow rapidly, as there is an increasing demand for organic products, due to the growing awareness about food quality and the importance of healthy eating by the Greek population. Besides, there is an increasing concern about the environment, especially among young people.

Organic farming will be promoted and supported in some mountainous and less favourable areas, where there are few possibilities of agricultural "modernisation" and areas such as small islands (with fragile agro-ecosystems). In such areas where the main farm income originates from other activities, organic farming will be supported and will be adopted more readily.

It is unlikely that public bodies will be involved in extension and advice for organic farming. Structural and financial problems in these bodies have lead to their decline. At the same time private bodies are expected to expand their extension and activities, as the organic industry grows.

Finally, in the near future, it is expected that training courses on organic farming will be established in all levels of education, in response to such courses by the agricultural industry as well as the development of the organic sector in other member states of EU. It is expected that farmers' education on organic farming in agricultural schools will also be introduced slowly, especially after the establishment of specialist schools in organic agriculture (see above).

Research on organic farming is expected to start gradually, as the sector grows and a critical mass of researchers trained mainly abroad emerges.

11.10 Literature

STAR (1995) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/6114/95 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Establishes organic farming scheme).

STAR (1998) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/3891/98 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Amends organic farming scheme).

12 IE – Ireland

Compiled by: Noreen Gibney, IOFGA, Dublin;
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12.1 Organic farming support schemes under agri-environment and extensification programmes

12.1.1 Actors

12.1.1.1 Organisations Involved In setting up 2078/92 or other organic farming support scheme

- Department of Agriculture and Food (DAF)
- Irish Organic Farmers and Growers Association (IOFGA)

12.1.1.2 Organisations Involved In operating 2078/92 or other organic farming support scheme

DAF operates 2078/92 or Rural Environment Protection Scheme (REPS) as it is implemented in the Republic of Ireland. REPS planning agents are approved by the Department to carry out the criteria set under the REPS specifications. Under REPS Supplementary Measure 6 – organic farming measure, the organic bodies (IOFGA, BDAAI and Organic Trust) are designated bodies for inspection and certification purposes.

12.1.2 National/regional legislation which provided organic farming support before 2078/92

Shannon Development operates a scheme for the Counties which fall within their remit.

12.1.3 Agri-environment schemes (measures) Implemented

The Rural Environment Protection Scheme (REPS) aims to:

1. Establish farming practices and controlled production methods which reflect increasing concern for conservation, landscape protection and wider environmental problems;
2. Protect wildlife habitats and endangered species of flora and fauna; and
3. Produce quality food in an extensive and environmentally friendly manner.

Measures	Start year	Regions	Number of farms 15/10/97	Land area (ha) 15/10/97
REPS	1994	All	28 565	961 068
<i>Supplementary measures:</i>				
1 National Heritage Areas	1994	Eligible areas	nd	nd
2 Rejuvenate degraded areas	1994	Eligible areas	nd	nd
3 Rearing animals of local breeds in danger of extinction	1994	All	nd	nd
4 Long term set-aside	1994	All	nd	nd
5 Public access and leisure activities	1994	All	nd	nd
6 Organic farming	1994	All	nd	nd

Source: 2078/92 statistical reporting by Member State to European Commission

nd = no data available

12.1.4 Details of organic farming scheme

12.1.4.1 Requirements and eligibility conditions

Farmers eligible to participate	Converting ☐ Continuing ☐
Organic certification requirement	☐with an approved inspection body
Maximum size/payment limit	☐40 ha
Minimum size/payment limit	☐Normally 3 ha, if < 3ha, than must have > 1 ha fruit and vegetables
Stocking rate limit	☐> 0.3 LU/ha

Requirements and eligibility conditions (cont.)

Eligible crop restrictions	☐ Only participants in REPS engaged in production of crops, animals and animal products intended for human consumption avail of the organic farming measure
Organic management of livestock	☐ To an approved inspection body's standards
Staged conversion possible	- All of the land farmed must be either fully converted or under-going conversion in the case of producers of animals and animal products. The take up of REPS by horticultural producers is minimal.
Part farm conversion possible	- see above
Training and/or advice provided	☐ Training compulsory, but not specific to organic farming
Other restrictions	☐ Compulsory participation in REPS (see below)
Adjustments made to original scheme	☐ The basic REPS scheme was amended/clarified in 1996 and again in 1997 and 1998 (see below).

☐ = yes, - = no

12.1.4.2 Regional variations

None

12.1.4.3 Payment rates for organic farming scheme (ECU/ha)

Year	Region	Land use/type	Conversion ¹ (Years 1, 2)	Continuing ^{1,2}	Comments
Organic farming scheme					
1994-1998	All	All	181 (150)	91 (75)	Applicants with > 3ha
1994-1998	All	Horticulture	241 (200)	121 (100)	Applicants with < 3 ha but > 1ha fruit and vegetables
Rural environment protection scheme (participation compulsory for organic scheme eligibility)					
1994-1998	All	All	151 (125)	151 (125)	Payable in addition

¹ Payments are fixed in ECU (A) rate. Figures in parentheses are old ECU (A) rate before 1996 revaluation. The IEP equivalent rate is fixed according to the exchange rate on 1st January each year.

² Lower (continuing) payment applies from date full organic status is achieved - i.e. conversion payment may be for less than two years. Producers who have attained full organic status and revert to conventional management shall be deemed ineligible for in-conversion payments, but will be eligible for rates applicable to full organic status during reconversion.

12.1.4.4 Support other than direct income payments as part of organic farming scheme

Certification and inspection	DAF offers a grant per horticultural inspection to private inspection bodies. This is not part of the agri-environment programme.
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12.1.5 **Combinations between organic farming and other agri-environment measures**

☑ Compulsory: REPS

Optional: other supplementary measures within REPS

12.1.5.1 **Eligibility conditions and requirements of the Rural Environment Protection Scheme**

Participation in the REPS is compulsory, with payments of 125 ECU/ha additional to organic farming payments. An agri-environment plan needs to be prepared by an approved planner and adhered to, subject to a minimum of 2 reviews in 5 years, covering the following points:

1. Waste management, liming and fertilisation plan, including soil analyses, manure budgets, nutrient limits for N, P and lime, as well as animal housing, waste storage and spreading requirements (including organic manures and chemicals)
2. Grassland management plan, covering stock carrying capacity, housing and grazing periods, numbers and types of animals kept and conserved forage requirements
3. Protect and maintain water courses and wells, including 1.5 m strips where pesticide use and access by bovines prohibited through fencing (2m for wells). Annual maintenance programme to be specified.
4. Retain wildlife habitats, including specification of additional practices to maintain them.
5. Maintain farm and field boundaries, including 5 year management and maintenance plan following specified recommended practices.
6. Restrict use of fertilisers and pesticides near hedgerows, ponds and streams
7. Protect features of historical and archaeological interest
8. Maintain and improve visual appearance of farm and farmyard
9. Produce tillage crops without growth regulators, without burning straw and stubble and leaving 1.5 m field margins uncultivated
10. Training in environmentally friendly farming practices - participation voluntary unless 20 hour course recommended by planner and subsequently required as a condition for entering scheme
11. Keep appropriate records

Further details can be found in DAFF (1996)

REPS was modified in 1997 with respect to waste management, grassland management, water protection and some other requirements (STAR 5245/97). In 1998, a proposal was submitted to the Commission to

replace supplementary measures 1 and 2 by a new measure which would be compulsory in specific zones (STAR 5201/98).

12.1.5.2 Main requirements and payment levels for combinable or competitive agri-environment measures

	Measure	Main requirements	Typical payment (ECU (A) /ha) ¹	Relationship to organic
1	National Heritage Areas (NHAs)	Mandatory for all REPS participants in designated zones. Conditions zone specific. If livestock reduction option chosen, any quota released cannot be used or leased etc.	187 (155) or 90 (75) + 254 (210)/LU reduced (max. 45 LU)	Combinable ²
2	Rejuvenate degraded areas	Mandatory for all REPS participants in designated zones. Applies to overgrazed common lands. Plan required to define sustainable management. Higher payment if no winter grazing. Livestock reduction option as for NHAs. Group incentive (30 ECU/ha) also available.	151-187 (125-155) or 72-90 (60-75) + 254 (210)/LU reduced	Combinable ²
3	Endangered local breeds	Specified breeds, membership of breed society, participation in breed conservation programme.	121 (100)/LU	Combinable ²
4	Long term set-aside	10-30m wide permanently fenced riparian zones and lakeside strips along designated salmonid waters. No agricultural production. Natural development of vegetation. No pesticides or fertilisers except with permission of Central Fisheries Board. Max 2.5 ha/holding. 20 years.	574 (475)	Combinable ²
5	Public access	Free and safe access with appropriate facilities	29 (24)	Combinable ²
7	Training and demonstration	Per participant Per 20 hour course for training agency Per trainer	124 (103) 2 475 (2 050) 362 (300)	Max 1/farm Combinable
8	Demonstration farm		1 449 (1 200) /year	

¹ All payments shown above are additional to the basic REPS payment. Farmers may participate in one or more supplementary measures. Payments are fixed in ECU (A) rate. Figures in parentheses are old ECU (A) rate before 1996 revaluation. The IEP equivalent rate is fixed according to the exchange rate on 1st January each year.

² Only one payment is made in respect of supplementary measures, based on the highest in monetary terms.

12.1.6 Public expenditure and EU contribution for organic farming and other agri-environment schemes (MIEP)

Scheme	Year (15/10)	Forecast ¹					
		1994	1995	1996	1997	1998	1999
REPS (including supplementary measures)	Budget	nd	nd	nd	nd	117.6	108.6
	Actual	0	20.7	45.6	97.4	na	na
	EU%	75%	75%	75%	75%	75%	75%

Source: 2078/92 statistical reporting by Member State to European Commission

na = not applicable, nd = no data available

¹ Forecast for 1998 and 1999 based on existing commitments, excluding possible new entrants.

12.1.6.1 Reasons for adjustments to budget

None identified

12.1.7 General comments

The REPS scheme has not facilitated an uptake by horticultural producers. The low level of payments awarded to horticultural producers operating on less than 3 ha does not make it feasible or act as an encouragement. The costs of drawing up the mandatory agri-environmental plan are too high for small producers.

12.2 Impact of mainstream agricultural support measures on organic farming

12.2.1 Actors

Not applicable

12.2.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

None identified

12.2.3 Variations in mainstream CAP Reform measures implemented

None identified.

12.2.4 Set-aside management requirements and implications for organic farming

None identified.

12.2.5 Impacts of other measures on organic farming

Article in Organic Matters, 40, p 5, Nov-Dec 1997, raised issue of rotating cereals onto land not allocated as cereal land when original area aid declaration drawn up. Department response that land in tillage at any time between 1987 and 1991 could be considered eligible. Flexibility had been introduced to transfer eligible land to an equivalent or lesser area of eligible land within a holding from year to year. However, farmers without eligible land could not be facilitated to qualify for arable area payments. Organic farmers with eligible land could lease for the period of REPS participation additional lands to enable them to meet their rotational requirements.

12.2.6 Special provisions for organic/converting producers

None identified.

12.2.7 Environmental cross-compliance measures and implications for organic producers

None identified.

12.2.8 Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming

None identified.

12.2.9 Impact of national or regional aids on organic farming

None identified.

12.3 Marketing and Processing Schemes

12.3.1 National/regional legislation

None

12.3.2 Organisations/projects which have received funding from market and processing schemes (EU, national and regional)

- Shannon Region Organic Meat Co-operative (SROM): this project was initiated by the Shannon Development Agency, the only public regional development agency in Ireland. The development plan was approved and part funded by the Department of Agriculture from its own resources prior to European funding becoming available.
- Market support for the organic sector is provided through the Objective 1 programme (see Section 12.4)

12.3.3 Organisations active in market development within the organic sector

- Organic Trust
- Irish Organic Farmers and Growers Association (IOFGA)
- Bio Dynamic Agriculture Association Ireland (BDAAI)
- Department of Agriculture and Food (DAF)
- An Bord Glas
- An Bord Bia

12.3.4 Public expenditure (MIEP)

Project	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Shannon development	0.02	nd	nd	nd	nd	nd	nd
Total	0.02	nd	nd	nd	nd	nd	nd

nd= no data available

12.4 Regional and Rural Development Schemes

12.4.1 National/regional legislation (not EU-derived)

None

12.4.2 Organisations/projects which have received funding from regional or rural development schemes (EU, national and regional)

LEADER programme:

1. IOFGA programme to develop organic agriculture: IOFGA launched a programme to develop organic farming in Ireland with help of the LEADER programme in 1996. The programme, aimed at the South West of Ireland (Clare, Tipperary and South West Kerry) is run in conjunction with the Dutch organic group Agro Eco and involves Ireland's national agricultural advisory service, Teagasc and other groups involved in the LEADER initiative. At present four counties are included in the project, which so far has completed the following:
 - a set of studies on the organic market opportunities in the participating areas;
 - developed a training course on organic agriculture
 - set up demonstration farms and a series of farm walks
2. Agri-food enterprise partnership, West Cork: includes support for diversification of agricultural activities, notably organic farming.

Objective 1:

Operational Programme for Agriculture, Rural Development and Forestry 1994-1999 (OPARDF): Development of Organic Farming (Sub-measure (e)):

- Provides grant aid to farmers, groups, companies or co-operatives for the provision of facilities for grading, packing, storage and distribution of organic produce
- Provides aid to recognised bodies e.g. An Bord Bia and An Bord Glas for marketing and promotion in support of organic farming

To ensure a regular supply of organic produce to the market by the development of organic co-operatives/groups/companies. Grant aid is only paid to operators who are inspected according to the requirements of EC Reg. 2092/91

12.4.3 Organisations active in regional or rural development within the organic sector

- LEADER groups

- IOFGA
- Shannon Development Agency

12.4.4 Public expenditure (MIEP)

Project	Year	Forecast						
		93/94	94/95	95/96	96/97	97/98	98/99	99/00
Development of Organic Farming (OPARDF)	Budget:				nd	ca. 0.146	nd	nd
	Actual:					nd		
	EU %:							
	EU Reg.					Obj 1		
LEADER (excl. West Cork agri food enterprise)	Budget:				0.0135	0.0135	0.0135	0.0135
	Actual:				nd	nd	nd	nd
	EU %:				nd	nd	nd	nd
Total	Budget				0.0135	0.1595	0.0135	0.0135

18 000 IEP per LEADER group (54 000 IEP) over 4 years.
nd = no data available

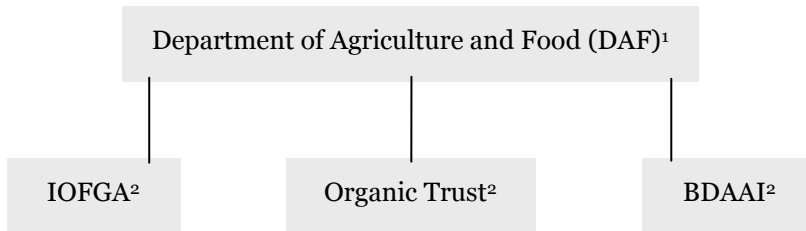
12.4.5 General Comments

The budget for the LEADER initiative has been reduced by £16 000 as one of the four original companies has not come to consensual contract agreement with IOFGA. The LEADER initiative may be extended to a number of other counties during 1988/99 period. Funding forecasts may be increased following an evaluation of this project.

12.5 Organic production standards, inspection and certification

12.5.1 Actors

12.5.1.1 Main bodies involved in administration, inspection and certification



Irish Organic Farmers and Growers Association (IOFGA)¹; Bio-Dynamic Agricultural Association in Ireland (BDAAI)

¹ Competent Authority responsible for administration of EC Reg. 2092/91

² Inspection and certification

The Department of Agriculture and Food is responsible for the administration of inspection and certification under 2092/91. Members of DAF sit on the certification panels of the three approved sector bodies and they also carry out spot checks on the approved bodies.

12.5.1.2 Private sector bodies operating their own set of standards

Three private sector bodies are recognised by DAF to carry out inspection and certification, all of which are working to their own standards. IOFGA is the largest sector body in Ireland and certifies in both the Republic of Ireland and Northern Ireland. IOFGA first developed its own standards in 1982 in conjunction with the UK Soil Association. These were last amended in 1992 to meet EC Reg. 2092/91 standards. The Organic Trust and BDAAI were established in 1991 working to their own standards which also meet EC Reg. 2092/91 standards.

12.5.2 National definition for organic farming (not EC Reg. 2092/91)

12.5.2.1 National legislation defining organic farming

None

12.5.2.2 Non legal national definition of organic farming

Irish Organic Farmers' and Growers' Association (IOFGA), 1982 provides the most widely used definition.

12.5.3 Prosecutions in breach of 2092/91 legislation or any other national legislation

The Director of Consumer Affairs is responsible for prosecutions in breach of 2092/91. To date there have been no cases prosecuted.

12.5.4 Financial support towards inspection and certification costs

Inspection and certification bodies receive support for horticultural inspections: For example, in 1996 inspection bodies received IEP 55.55 per inspection. No aid is given towards livestock inspections.

12.5.5 Average inspection and certification costs (IEP)

BDAAI: 150/yr. New applicants 150

12.5.6 Public expenditure for the administration, inspection and certification under 2092/91 or any national definition

Data have been requested from Department of Agriculture but have not yet been obtained

12.6 Advice and extension

12.6.1 National/regional programmes

None

12.6.2 General provision of extension

- The certification bodies supply information about organic production and various aspects in the form of training courses, conferences and printed material.
- There are some private consultants (some recommended by one of the certification bodies), the farmers have to cover the full cost if they want direct advice.

12.6.3 Public expenditure

No public spending for extension service; no details on small public grants for the production of information material could be obtained.

12.6.4 General comments

Teagasc, the governmental extension service is currently not involved in the field of organic farming extension. The organic farmers and an increasing number of farmers converting under the REPS scheme demand more advice.

12.7 Training and education

12.7.1 National/regional programmes

None

12.7.2 General provision of training

- An t-Ionad Glas runs a two year training programme in organic horticulture, leading to a technical qualification.
- University College of Dublin offers a 20 hour voluntary course for undergraduate students.
- Five institutions offer short courses in organic farming. These include the main producer organisations, three regional groups (supported through LEADER) in Clare, Tipperary and South West Kerry and the Organic Farming Centre, which also offers short courses in organic horticulture.

12.7.3 Public expenditure (MIEP)

	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Total training ¹	0.025	nd	nd	nd	nd	nd	nd

nd = no data available

¹ Data for funding from An t-Ionad Glas, have been requested from DAF. The Staff of An t-Ionad Glas are paid by the Department of Education, which also pays for the materials and facilities. Most participants qualify for a payment from the Department of Social Welfare under an education and training programme for school leavers and unemployed people. Funding has not been specified.

12.7.4 General comments

IOFGA (1997): Submission to Teagasc review group on education and training needs of organic farmers and growers, Dublin. The conclusion was drawn that since resources have been withdrawn from two sites (Johnstown Castle and Mount Bellew) current resources are not sufficient to deal with the increasing demands of a rapidly growing organic sector in Ireland.

The programme to develop organic farming under LEADER in three counties of Ireland could be replicated in other counties.

12.8 Research and development

12.8.1 National/regional programmes

Johnstown Castle Research, between 1990 and 1995, conversion of one experimental farm with beef and sheep and some arable crops and several associated research projects. The purpose of the project was to investigate the levels of production which could be achieved on the organic farm and the economic feasibility of this method of farming” (MacNaeidhe et al. 1997).

12.8.2 General provision of research

- The Johnstown Castle Research Centre of Teagasc had organic farming projects under way between 1990 and 1995, some with EU funding. The centre was restructured in 1996 and the main researcher now only spends 20% of his time on the organic project; one studentship was funded in 1997. The farm is still managed organically but there is currently no clear statement on the extent of the organic research in future.
- The University of Limerick was involved in one research project on soil properties.
- The Mount Bellew station has an organic demonstration unit, but does not carry out any research.

12.8.3 Public expenditure (MIEP)

	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Total research	0.015	0.030	0.025	0.010	0.02	0.01	

12.8.4 General comments

The opinion of the organic industry is that more research is urgently required.

12.9 Future policy developments

Ireland is proposing to continue REPS under the next tranche of agri-environment proposals. It is anticipated that payment to farmers will be on the basis of existing payments, with both existing and converting farmers receiving aid. Negotiations are commencing currently in respect of horticultural producers, whose numbers have not increased since the introduction of REPS.

The three current approved bodies will retain their own standards, but a joint standards committee to examine new EU legislation, national legislation and new product standards will gain more importance in future.

As the number of converting farmers (particularly those who entered through REPS) increases, further market developments are required. Already 1997 has seen the introduction of value added products such as an 'Irish organic yoghurt'. Other developments in raw milk, soup and prepared meals are expected. Schemes such as the LEADER initiative will help to pull all sides of the sector together, as it encompasses packages on marketing, training, advice and processing.

The existing advisory service is not adequate and this needs further development. The national advisory service in conjunction with organic associations will discuss this issue in detail in early 1998. Action on these discussions will be required immediately if certification bodies are to continue recruiting new members.

In tandem with the advisory service is the ever necessary research. Teagasc at its national demonstration unit will continue with a 2 year project commencing in November 1997. However, there is no such unit for horticultural trials. Mountbellew Agricultural College, the Organic Centre, Rossinver, and Dromcollogher Community College may be encouraged to instigate studies, with the necessary financial support from Teagasc.

The pressure for more information and research into organic farming is likely to keep growing as larger numbers of farmers go into conversion to avail of the extra payments available under the REPS scheme and the higher prices being paid by the market for organic produce and the environmental restrictions enforced on farmers in certain areas of the country. However, there do not seem to be any policies or actions coming from the government or Teagasc to address this need for more information and research into organic farming in Ireland. If not for the private organic bodies and private advisors, there would be little information or training for organic farmers.

Advisory services, training, marketing and research needs all require attention to develop the sector further in Ireland.

12.10 Literature

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STAR (1993) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/9906/93 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Establishes REPS scheme including organic farming).

STAR (1995) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/6174/95 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Revises REPS scheme conditions (see DAFF, 1996)).

STAR (1997) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/5245/97 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Revises REPS scheme and clarifies that horticulture element of organic farming measure includes fruit and vegetables).

STAR (1998) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/5201/98 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Revises REPS to replace supplementary measures 1 and 2 with compulsory measure).

The following studies have been prepared in respect of the IOFGA projects to develop organic farming under the LEADER Programme. Four LEADER groups were originally involved in the programme, hence a main market study with specific facts related to each of the four counties was prepared. These being:

1. Market Study on organic products from Kerry, Agro Eco Consultancy for IOFGA. South Kerry Development Partnership LEADER group.

2. Market Study on organic products from Tipperary, Agro Eco Consultancy for IOFGA. Tipperary LEADER group.
3. Market Study on organic products from Clare, Agro Eco Consultancy for IOFGA. Clare Rural Resource Development Company Ltd. Partnership LEADER group.
4. Market Study on organic products from Cork, Agro Eco Consultancy for IOFGA. West Cork Development LEADER group.

13 IT – Italy

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13.1 Organic farming support under agri-environment and extensification programmes

13.1.1 Actors

13.1.1.1 Organisations Involved In setting up 2078/92 or other organic farming support scheme

There is no *national* law, because agriculture is a matter delegated to Regions since 1972. At present, 19 regions and two autonomous provinces (Bozen and Trento) should each produce their own laws and/or regulations for implementation, whenever needed. In the case of 2078/92, each region had to develop an implementation plan, with detailed zoning and description of technical aspects for the implementation of the guidelines indicated by the regulation.

This was done by the Departments of Agriculture of each Region, supported by the Regional Agencies for the Development of Agriculture (*Ente di sviluppo agricolo in most regions*). In a few cases, working groups were set up, with the participation of representatives of the organic farmers and/or with representatives of conventional farmers. In very few cases “experts” from universities and/or other institutions were also invited.

13.1.1.2 Organisations Involved In operating 2078/92 or other organic farming support scheme

In each region, farmers must notify their decision to practice organic farming (EC Reg. 2092/91) to the local Department of Agriculture. In this step they may be helped by private advisors, farmers' unions, organic farmers' associations or public extension agents. In a second stage, they can apply for the subsidies provided by 2078/92 and they can be helped, normally for a fee, by the same Agencies as above.

Certification is carried out at present by eight certifiers recognised by the MIPA, plus one recognised by the Provincial Government of Südtirol (only for that province).

13.1.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Organic farming has not been supported/financed at national level before or outside the EC Regulations 2092/91 and 2078/92. Before 2078/92, some Regional Governments had produced Regional (LR) or Provincial (LP) Laws about organic farming, with or without financial support:

Lazio:	LR 51/1989
Veneto:	LR 24/1990
Marche:	LR 57/1990
Umbria:	LR 46/1990
Friuli:	LR 59/1990
Bozen:	LP 12/1991
Trento:	LP 13/1991

In most cases, these laws were not applied and the available funds (if any) were used for other purposes. Although organic farmers' organisations were consulted, in many cases the final laws did not reflect this. For example, in some cases soil sampling was proposed as the only means of certification. Although payments were never made in practice, the envisaged payments did differentiate by crop but not between conversion and continuing organic. The levels proposed were all below current levels under 2078/92.

In 1987, the Financial Law of that year allocated 150 000 MITL for the development of organic farming in the national and regional parks, but this amount was never used, due to lack of national and community legislation.

13.1.3 Agri-environment schemes (measures) Implemented

	Measures	Start year	Regions	Number of farms (1997)	Land area (ha) (1997)
1	A1+A2 Reduction of agro-chemical inputs	1994 ¹	Only in 16	60 634	642 553
2	A3+A4 Introduction and maintenance of organic farming	1994 ¹	18 Regions	17 121	308 367
3	B: Extensification	1994 ¹	16 Regions	16 033	112 741
4	C: Reduction of livestock density	1994 ¹	14 Regions	66	3 343 LU
5	D1: Maintenance of rural areas and landscape	1994 ¹	17 Regions	19 335	472 094
6	D2: Rearing endangered animal breeds	1994 ¹	15 Regions	3 697	32 192 LU
7	E: Upkeep of abandoned arable and forestry land	1994 ¹	16 Regions	2 824	47 852
8	F: 20-year set-aside	1994 ¹	15 Regions	1 698	24 715
9	G: Manage land for public access and recreation	1994 ¹	07 Regions ²	298	3 804 ²
10	H: Training and demonstration projects			nd ³	nd ³

nd = no data available

¹ The implementation of 2078/92 has taken place in different years in the various regions: The first plan was approved by the Commission in Dec 93 (Province of Bozen) and next came that of Umbria (January 1994). The last one approved was that for the Region Campania, accepted only in March 1997. This means that only 14 regions implemented EC Reg. 2078/92 in 1994, 18 in 1995 and all but Campania in 1996.

² 1996: 1 960ha of which, 1 944ha ha were located in Umbria.

³ This measure was not monitored by the responsible national agency (INEA) due to the minimal and late implementation and few data existing. In some regions, however, this measure was implemented in 1996 and 1997.

In the Marche Region, a new Measure (D3) is starting, involving two municipalities (Serra de' Conti and Montecarotto) in a pilot project. Due to the high nitrate content in the drinking water, the mayors have rendered compulsory the adoption of one of the A measures, in accordance with the Regional Government which grants the maximum level of subsidies for all measures.

13.1.4 Details of organic farming scheme(s)

13.1.4.1 Requirements and eligibility conditions

Farmers eligible to participate	Converting <input type="checkbox"/> Continuing <input type="checkbox"/>
Organic certification requirement	<input type="checkbox"/> With one of the 8 certifying bodies authorised by MIPA (in Südtirol Bioland-BioZert is also authorised)
Maximum size/payment limit	-
Minimum size/payment limit	<input type="checkbox"/> 0.2 ha in Campania and Friuli; 1 ha in Lombardia, Toscana, Umbria and Veneto
Stocking rate limit	-
Eligible crop restrictions	- (generally) In Umbria, Calabria and Molise permanent natural pastures and grassland do not receive subsidies.
Organic management of livestock	- (except Lazio)
Staged conversion possible	<input type="checkbox"/>
Part farm conversion possible	<input type="checkbox"/> Exceptions are Liguria, Lazio, Molise, Puglia, Sicilia and Sardegna, where only conversion of the whole farm is eligible. (Some certifying bodies grant the use of their logo only on products coming from fully converted wholly organic farms, but this is a different issue). In Veneto part farm conversion is possible only if A1/A2 measures are applied on the remaining farm area.
Training and/or advice provided	<input type="checkbox"/> optional – some regions use resources from Measure H of 2078/92
Other restrictions	- (except Emilia Romagna, see below)
Adjustments made to original scheme	<input type="checkbox"/> A revised proposal has been made by Emilia Romagna, because some requirements were inappropriate (e.g. green manuring every third year). In the Marche region, some organic farmers backed by some politicians are trying to increase the period of payment for alfa-alfa crops from 3 to 5 years, while the Regional Government backed by the EU Commission are resisting (mono-culture is not allowed in organic farming).

= yes, - = no

13.1.4.2 1996 payment rates (ECU(A)/ha) and main regional variations for organic farming scheme

Region	Land use/type	Conversion ¹ (2 years)	Continuing ¹	Comments/ other regional variations	
1	Abruzzo	Annual AAP crops	181.1 (150)	144.8 (120)	Part conversions permitted as in 2092/91. Minimum area 1 ha.
		Other annual crops	301.8 (250)	241.4 (200)	
		Grassland	301.8 (250)	241.4 (200)	
		Olives	362.1 (300)	241.4 (200)	
		Fruit trees	712.1 (590)	569.7 (472)	
		Vines	844.9 (700)	675.9 (560)	
		Citrus	-	-	
2	Basilicata	Annual AAP crops	181.1 (150)	156.9 (130)	Rates vary according to region/topography and cropping Heated greenhouses excluded.
		Other annual crops	301.8 (250)	241.4 (200)	
		Grassland	301.8 (250)	241.4 (200)	
		Olives	422.5 (350)	301.8 (250)	
		Fruit trees/vines	724.2 (600)	482.8 (400)	
		Citrus	-	-	
3	Bolzano	Annual AAP crops	-	As converting	Fruit and horticulture only. Maximum production limit for apples.
		Other annual crops	301.8 (250)		
		Grassland	-		
		Olives	-		
		Fruit trees/vines	844.9 (700)		
		Citrus	-		
4	Calabria	Annual AAP crops	181.1 (150)	162.9 (135)	Whole farm conversion required. Additional requirements concerning fertilisers, irrigation, mulching, tilling, protected cropping
		Other annual crops	301.8 (250)	271.6 (225)	
		Grassland	301.8 (250)	271.6 (225)	
		Olives	482.8 (400)	434.5 (360)	
		Fruit trees/vines	844.9 (700)	760.4 (630)	
		Citrus	966.0 (800)	869.4 (720)	
5	Campania	Annual AAP crops	144.8 (120)	As converting	Approved in 1997. Min. area 0.2-0.5 ha. 350 ECU/ha supplement payable on annual crops if combined with measures D1 or D2 (rare breeds, natural elements)
		Other annual crops	241.4 (200)		
		Grassland	241.4 (200)		
		Olives	422.5 (350)		
		Fruit trees/vines	724.2 (600)		
		Citrus	966.0 (800)		

1996 payment rates (ECU(A)/ha) and main regional variations for organic farming scheme (cont.)

	Region	Land use/type	Conversion ¹ (2 years)	Continuing ¹	Comments/ other regional variations
6	Emilia Romagna	Annual AAP crops	181.1 (150)	As converting	Conversion of whole farm required within 5 years in combination with measure A1.
		Other annual crops	301.8 (250)		
		Grassland	301.8 (250)		
		Olives	482.8 (400)		Rotational constraints. Minimum 5% of farm allocated to natural elements (D1), 10-15% in hills/mountains.
		Fruit trees/vines	844.9 (700)		
		Citrus	-		
7	Friuli Venezia Giulia	Annual AAP crops	181.1 (150)	As converting	Minimum area 0.1-0.35 ha.
		Other annual crops	301.8 (250)		
		Grassland	301.8 (250)		
		Olives	482.8 (400)		
		Fruit trees/vines	844.9 (700)		
		Citrus	-		
8	Lazio	Annual AAP crops	181.1 (150)	As converting	Conversion of whole farm required within 5 years in combination with measure A1.
		Other annual crops	301.8 (250)		
		Grassland	301.8 (250)		
		Olives	482.8 (400)		Livestock must be managed organically. Minimum area 1 ha.
		Fruit trees/vines	844.9 (700)		
		Citrus	-		
9	Liguria	Annual AAP crops	-	As converting	Fruit and horticulture only.
		Vegetables	301.8 (250)		
		Other horticulture	120.7 (100)		Whole farm conversion required.
		Olives	482.8 (400)		
		Fruit (peaches etc.)	844.9 (700)		
		Other fruits	362.1 (300)		
10	Lombardia	Annual AAP crops	181.1 (150)	As converting	Conversion of whole farm required within 5 years.
		Other annual crops	301.8 (250)		
		Grassland	301.8 (250)		Minimum area 1 ha. 350 ECU/ha supplement payable if combined with measure D1 (natural elements)
		Olives	482.8 (400)		
		Fruit trees/vines	844.9 (700)		
		Citrus	-		

1996 payment rates (ECU(A)/ha) and main regional variations for organic farming scheme (cont.)

Region	Land use/type	Conversion ¹ (2 years)	Continuing ¹	Comments/ other regional variations
11 Marche	Annual AAP crops	162.9 (135)	As converting	Rates vary according to region/topography and cropping.
	Other annual crops and grassland	193.1 (160) to 271.6 (225)		
	Olives	223.3 (185) to 434.5 (360)		
	Fruit trees/vines	386.2 (320) to 760.4 (630)		
	Citrus	-		
12 Molise	Annual AAP crops	181.1 (150)	As converting	Whole farm conversion required. Excludes permanent grassland
	Other annual crops	301.8 (250)		
	Grassland	301.8 (250)		
	Olives	482.8 (400)		
	Fruit trees/vines	844.9 (700)		
Citrus	-			
13 Piemonte	Annual AAP crops	181.1 (150)	162.9 (135)	Conversion of whole farm required within 3 years.
	Other annual crops	301.8 (250)	271.6 (225)	
	Grassland	301.8 (250)	271.6 (225)	
	Olives	-	-	
	Fruit trees/vines	844.9 (700)	760.4 (630)	
Citrus	-	-		
14 Puglia	Annual AAP crops	181.1 (150)	As converting	Conversion of whole unit required.
	Other annual crops	301.8 (250)		
	Grassland	301.8 (250)		
	Olives	482.8 (400)		
	Fruit trees/vines	844.9 (700)		
Citrus	1207 (1000)			
15 Toscana	Annual AAP crops	181.1 (150)	162.9 (135)	Conversion of whole farm required within 3 years. Minimum 1 ha.
	Other annual crops	301.8 (250)	271.6 (225)	
	Grassland	241.4 (200)	217.3 (180)	
	Olives	482.8 (400)	434.5 (360)	
	Fruit trees/vines	844.9 (700)	760.4 (630)	
Citrus	-	-		

1996 payment rates (ECU(A)/ha) and main regional variations for organic farming scheme (cont.)

Region	Land use/type	Conversion ¹ (2 years)	Continuing ¹	Comments/ other regional variations
16 Trentino-Aldo Adige	Annual AAP crops	-	As converting	Horticulture/fruit only
	Other annual crops	301.8 (250)		Pastures and fodder eligible only if livestock managed organically
	Grassland	301.8 (250)		
	Olives	-		
	Fruit trees/vines	844.9 (700)		Minimum areas: annual crops 0.2 ha, perennial 0.3 ha.
	Citrus	-		
17 Sardegna	Annual AAP crops	181.1 (150)	As converting	Conversion of whole farm required except where production of a specific crop technically impossible. Barrier required between organic and conventional fields (hedge etc.)
	Other annual crops	301.8 (250)		
	Grassland	301.8 (250)		
	Olives	482.8 (400)		
	Fruit trees/vines	844.9 (700)		
	Citrus	1207 (1000)		
18 Sicilia	Annual AAP crops	181.1 (150)	As converting	Conversion of whole unit required, with conversion plan. Minimum area 0.5 ha.
	Other annual crops	301.8 (250)		
	Grassland	301.8 (250)		
	Olives	482.8 (400)		
	Fruit trees/vines	844.9 (700)		
	Citrus	1207 (1000)		
19 Umbria	Annual AAP crops	181.1 (150)	136.4 (113)	Rates vary according to region/topography and cropping. If combined with measure D1, payments increase by 100 ECU/ha. Only rotational forage included. Min area 1 ha.
	Other annual crops	301.8 (250)	226.3 (187.5)	
	Grassland	301.8 (250)	226.3 (187.5)	
	Olives	482.8 (400)	362.1 (300)	
	Fruit trees/vines	844.9 (700)	633.7 (525)	
	Citrus	-	-	
20 Valle d'Aosta	Annual AAP crops	181.1 (150)	As converting	
	Other annual crops	301.8 (250)		
	Grassland	301.8 (250)		
	Olives	-		
	Fruit trees/vines	700.1 (580) to 844.9 (700)		
	Citrus	-		

1996 payment rates (ECU(A)/ha) and main regional variations for organic farming scheme (cont.)

Region	Land use/type	Conversion ¹ (2 years)	Continuing ¹	Comments/ other regional variations
21 Veneto	Annual AAP crops	181.1 (150)	As converting	Part farm conversion permitted if combined with measure A1 or A2 (reduction of agro-chemical inputs). Minimum area 1 ha.
	Other annual crops	301.8 (250)		
	Grassland	301.8 (250)		
	Olives	482.8 (400)		
	Fruit trees/vines	844.9 (700)		
	Citrus	-		

Source: *Compagnoni (1996)*.

¹ Payments are fixed in ECU (A) rate. Figures in parentheses are old ECU (A) rate before 1996 revaluation. The ITL equivalent rate is fixed according to the exchange rate on 1st January each year.

13.1.4.3 Adjustments to the rates of payment since scheme was originally implemented

None, although proposals under consideration in Emilia-Romagna and Marche.

13.1.4.4 Support other than direct income payments as part of organic farming scheme

Scheme administration	The monitoring of the implementation of 2078/92 has been given to INEA, using data provided by Regions. The precision and timeliness of the data are not the best.
Certification	Assistance for control costs in two regions: Toscana and Marche
Advice and information	Most regions provide advice and information through the Regional Agencies for the Development of Agriculture or through regionally-paid advisors located at the farmers unions local offices
Training and education	Short (30-150 h) courses on organic farming for farmers have been organised under 2078/92 (Measure H) by both farmers' unions and organic farmers' associations.

13.1.5 Combination between organic farming and other agri-environment measures

 Optional

13.1.5.1 Main requirements and payment levels for combinable or competitive agri-environment measures

	Measure	Main requirements	Average payments in 1996 ² (kITL/ha)	Relation to organic	Key regional variations ²
1	A1+A2 Reduction of agro-chemical inputs	Record keeping. Use of listed inputs. In some regions, ICM standards should be implemented.	741	Competitive/ Combinable ¹	Min. 346 Trento Max. 1 255 Sicilia
3	B: Extensification	Low-energy tillage, sowing spaces, low-yield cultivars, leguminous species, reduction of irrigation	599	Combinable ¹	Min. 122 Friuli Max. 1 830 Bolzano
4	C: Reduction of livestock density	Reduction of livestock density (LU/ha)	552	Combinable ¹	Min. 125 Lombardia Max. 826 Basilicata
5	D1: Maintenance of rural areas and landscape	Preservation of fences and hedge-rows; minimum area requirements (often 5% of eligible UAA), length.	123	Combinable ¹	Min. 26 Piemonte Max. 3 710 Emilia-Romagna
6	D2: Rearing endangered animal breeds	Introduction of listed livestock species; maintain herd for at least 5 years; inscribe bovine/equine stocks in specific records.	253	Combinable ¹	Min. 24 Sardegna Max. 262 Liguria
7	E: Upkeep of abandoned arable and forestry land	Land clearance and grass mowing; wooden species on unstable land and fallow land; rural road maintenance; water regulation and control	512	Combinable ¹	Min. 329 Emilia-Romagna Max. 812 Sicilia
8	F: 20-year set-aside	Total ban of chemical inputs as well of organic fertilisers; at least one grass mowing per year	1 458	Incompatible on same parcel	Min. 673 Abruzzo Max. 1 691 Sicilia
9	G: Manage land for public access and recreation	Footpath maintenance; tourist signs installation and maintenance; picnic areas implementation; minimum requirement for public access and right of way (often 5 years)	548	Incompatible on same parcel	Min. 261 Friuli Max. 669 Emilia-Romagna

Source: INEA, 1997.

¹ The possibility of combining measures varies from region to region. If part conversion is allowed, generally measures are compatible. On the same land, generally only measure D1 and D2 are compatible. Even so, in most cases, compatibility is limited by a maximum payment level, related to the income losses which should be demonstrated to the Commission and to co-financing limits.

² Actual average payment in 1996 (For regional variation: min. is minimum non zero actual average payment).

All measures are combinable. Measures F and G are incompatible on the same land, although they have not proved competitive. The same applies for A1+A2 which are combinable when part conversion is allowed but generally competitive.

13.1.6 Public expenditure and EU contribution for organic farming and other agri-environment schemes (GITL)

Scheme/ measures	Year	1994	1995	1996	1997	1998	1999
1 A1+A2 Reduced agro-chemical inputs	Budget	nd	nd	nd	nd	nd	nd
	Actual	nd	nd	307.0	403.8	nd	nd
	EU share	nd	nd	167.8	220.4	nd	nd
2 A3+A4 Organic farming	Budget	nd	nd	nd	nd	nd	nd
	Actual	nd	nd	117.5	198.5	nd	nd
	EU share	nd	nd	80.4	135.3	nd	nd
3 B: Extensification	Budget	nd	nd	nd	nd	nd	nd
	Actual	nd	nd	28.0	49.4	nd	nd
	EU share	nd	nd	19.1	32.8	nd	nd
4 C: Reduction of livestock density	Budget	nd	nd	nd	nd	nd	nd
	Actual	nd	nd	0.6	1.3	nd	nd
	EU share	nd	nd	0.3	0.7	nd	nd

Public expenditure and EU contribution for organic farming and other agri-environment schemes (GITL)
(cont.)

	Scheme/ measures	Year	1994	1995	1996	1997	1998	1999
5	D1: Landscape	Budget	nd	nd	nd	nd	nd	nd
		Actual	nd	nd	45.0	66.5	nd	nd
		EU share	nd	nd	25.7	37.9	nd	nd
6	D2: Endangered breeds	Budget	nd	nd	nd	nd	nd	nd
		Actual	nd	nd	7.4	7.7	nd	nd
		EU share	nd	nd	3.7	3.9	nd	nd
7	E: Abandoned arable/forestry land	Budget	nd	nd	nd	nd	nd	nd
		Actual	nd	nd	15.1	19.5	nd	nd
		EU share	nd	nd	10.0	12.5	nd	nd
8	F: 20-year set-aside	Budget	nd	nd	nd	nd	nd	nd
		Actual	nd	nd	13.9	26.7	nd	nd
		EU share	nd	nd	8.7	17.7	nd	nd
9	G: Public access and recreation	Budget	nd	nd	nd	nd	nd	nd
		Actual	nd	nd	1.1	1.9	nd	nd
		EU share	nd	nd	0.5	1.0	nd	nd
10	H: Training and demonstration	Budget	nd	nd	nd	nd	nd	nd
		Actual	nd	nd	0.6	0.7	nd	nd
		EU share	nd	nd	0.3	0.4	nd	nd
	TOTAL (A-G)	Budget	nd	nd	nd	nd	nd	nd
		Actual	23 696	161 905	536.2	776.1	nd	nd
		EU share	12 658	92 543	316.7	462.6	nd	nd
			MECU	MECU	GITL	GITL		

Source: INEA-MIPA (1996 to 1998) *L'applicazione del regolamento (CEE) n. 2078/92 in Italia. Un aggiornamento, campagna 1994 (to 1997), updated.*

nd = no data available

13.2 Impact of mainstream agricultural support measures on organic farming

13.2.1 Actors

13.2.1.1 Organisations Involved In adapting mainstream measure for organic farming

The FIAO (Italian Federation of Organic Agriculture) grouping all major certifying bodies, organic producers associations and other professional groups has done some lobbying in the past. The level of lobbying is still very weak, due to substantial divisions in the Italian organic movement. However, there are other organisations, like WWF, Friends of the Earth, Lega Ambiente, Lega Italiana per la Protezione degli Uccelli (National association for the protection of wild birds), which have been and still are lobbying for the expansion of organic farming.

13.2.1.2 Organisations Involved In operating adaptations to mainstream measures for organic farming

Regional Department of Agriculture

Farmers may be assisted by private advisors, farmers' unions, organic farmers' associations, or by public extension agents.

13.2.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Not applicable

13.2.3 Variations in mainstream CAP Reform measures implemented

All mainstream measures implemented although male calf processing scheme only in some regions.

13.2.4 Set-aside management requirements and implications for organic farming

The only requirement is that the set-aside areas are subject to agricultural practices before the 15th of May, consisting in tilling or “equivalent practices”. These include the use of herbicides. In practice there are three options within this: the first consists of applying the

fallow land technique to set-aside areas where spontaneous species are allowed to grow (“spontaneous” set-aside) or not (bare set-aside), either in its traditional mode (with tilling) or its modern mode (no tilling and using herbicides of low environmental impact). The second consists of sowing an annual cover crop (leguminous or other species) which is used for organic fertilisation and soil structuring: again the tilling or herbicide options are available. The third implies the use of non-food crops (such as biodiesel sunflower, flax, hemp, etc.).

The farmers may choose either of these options. Organic farmers generally prefer the second option which allows for fertility building and set-aside payments and has had a favourable impact on organic farming, which seeks to avoid bare fallows based on tillage. But the choice (and its implications) has also been dependent on the level of heterogeneity of the land and on the type of set-aside chosen: rotational or non-rotational.

In hilly areas (the majority of UAA in Italy) the non-rotational set-aside has been the preferred option; therefore the annual leguminous crop option may result in nitrate leaching. Besides, due to the fact that in most regions part conversion is allowed, many farmers have used the first option using low-impact herbicides (Roundup, Basta).

However, the implications are not that important, due to the fact that Italian (organic) farms are generally small and to them the ‘simplified scheme’ for arable area payment applies. During the first year of implementation of CAP Reform 83% of farmers have used the bare fallow option.

13.2.5 Impacts of other measures on organic farming

No studies available on this topic specifically.

Some studies were made before implementation of the mainstream measures (to foresee the impact of the reform), and they continue to be made, by university researchers and by institutions like INEA. The overall impression is that the reform is increasing the income of many producers, but that does not represent a real change vis-à-vis previous policy, at least for its effects in Italy (see Casati, for example). Only a few researchers have investigated the relationship between CAP Reform and organic farming.

Generally speaking, the mainstream CAP Reform has increased land values and rent, while reducing conventional output prices. This has reduced margins for all farms, especially in the fertile plains particularly suited for horticulture and near major cities; this may potentially reduce the profitability of the more market oriented organic farms, while agri-environmental subsidies have been proved not to be sufficient in those areas.

13.2.6 Special provisions for organic/converting producers

In Marche, organic farmers have priority in all fields: from machinery replacement to farm development programmes.

In Umbria, organic farmers have priority for the access to loans for development of agri-tourism, even if there organic area is only a small proportion of a larger conventional holding.

In Sicily, organic producers not receiving payments under 2078/92 will be able to qualify for a 10 ECU per LU or ha supplement to LFA payments from 1998 under EC Reg. 950/97 (STAR, 1998).

13.2.7 Environmental cross-compliance measures and implications for organic producers

Not applicable

13.2.8 Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming

No studies or information available.

13.2.9 Impact of national or regional aids on organic farming

No information available

13.3 Marketing and Processing Schemes

13.3.1 National/regional legislation which provides/provided support for market and processing

The only law which explicitly supports the marketing and processing of organic products is the newly adopted Marche regional law (L.R. n.76/1997) Disciplina dell'agricoltura biologica, passed on the 29/12/1997. The former Marche regional law (L.R. n. 44/92) also included subsidies for marketing and processing of organic products.

Although there is hardly any legislation to support marketing and processing in the organic sector, an increasing number of organic farming initiatives are being supported at a local level (municipalities, provinces, Regions) for two purposes:

- a) to create/expand marketing channels for existing/foreseen productions

- b) to stimulate incoming tourism, through fairs and exhibitions, based on local products

13.3.1.1 Objectives of national/regional legislation

The Marche regional law on organic farming includes measures which aim to:

- a) support investments in processing & packing of organic products
- b) subsidise producer association marketing programmes
- c) direct promotion of organic products via stimulating individual and collective demand.

The former law also included similar measures, though differently implemented. Due to the fact that the level of aid was higher than the amount allowed by the CEC as “state aid”, that part of the law was upheld by the Commission and only lately effective.

13.3.2 Organisations/projects which have received funding from market and processing schemes (EU, national and regional)

Some smaller projects have been awarded subsidies on a regional, municipal and province level. A number of organic fairs and open air markets receive support from various sources.

In Umbria, Fierucola Bioumbria, a local organic farming association, receives funding to assist with the organisation of two open air markets in the region. La Fierucola in Florence is the oldest small scale organic farmers fair in Italy, supported by the association of the same name. La Fierucola does not consider certification to be a priority, and it mainly aims to protect small-scale subsistence organic farmers. They accept also non-certified organic farmers who are too small to adhere to any official certification scheme.

Recently La Fierucola has promoted an association grouping all organisers of organic fairs who agree on the similar principle of defending the small-scale subsistence farmers from extinction.

La Fierucola has also promoted another association (ASCI) which aims to become the small-scale organic farmers union. They are organising themselves in order to lobby for the preservation of traditions in the countryside, to halt the industrialisation of agriculture, and preserve small-scale farming and on-farm food processing.

Fiere e Comunicazioni srl is a commercial organisation based in Milan, which since 1989 has organised the SANA, the biggest commercial natural food fair for organic products in Italy. This private business is the most important showcases for organic products in Italy and is probably the most effective means for marketing the organic products in Italy on the domestic and export markets.

EC Regulations

In the Marche region four projects relating mainly to wine-making and grape juices have been funded under EC Reg. 866/90.

In Marche a pilot project funded by both the Cassa per la Formazione della Proprietà Contadina (a national public agency for long-term financing of farmland acquisition) and the Regional Department of Agriculture through EC Reg. 2328/91, lists organic farming among its priorities and indeed some organic farmers have received funding for land purchase & improvements. Information on other initiatives funded through these regulations has not been identified.

13.3.3 Organisations active in market development within the organic sector

- AIAB Associazione Italiana per l'Agricoltura Biologica - One of the oldest producers' associations founded in 1988
- AMAB Associazione Mediterranea per l'Agricoltura Biologica Organic producer association established as a development of the Associazione Marchigiana per l'Agricoltura Biologica
- APROBIO - Associazione produttori biologici, Friuli : A regional producer's association, very active
- BioUmbria, Umbria: Another regional producers' association, organising a yearly open air market
- FIAO - Federazione Italiana per l'Agricoltura Organica represent the whole organic movement in Italy
- Associazione "La Fierucola" (NPO) Began organising an organic open market and developed into wider activities Toscana
- Fiere e Comunicazioni srl - Milano (CO) Organises the largest organic fair in Italy: SANA
- ASCI- Associazione Salvaguardia della Camapgna Italiana (NPO) Small-scale subsistence organic farmers association
- Assessorato Regionale all'agricoltura e Foreste, Regione Marche: Marche Department of Agriculture

13.3.4 Public expenditure (MITL)

Project	Year	92/93	93/94	94/95	95/96	96/97	97/98
Marche regional laws (44/92 & 76/97)	Budget:	100	100	150	200	200	1120
	Actual:	23	60	140	164	125	nd
Marche region 866/90	Budget:					79 593 ¹	
	Actual:					4 405 ²	
	EU %:					26%	
	EC Reg:					866/90	
Total	Budget:	100	100	150	200	79 793 ¹	1120
	Actual:	23	60	140	164	4 530	
	EU %:	0	0	0	0	26%	

nd = no data available

¹ Budget total for 866/90 includes organic+conventional over period 1994-1997: no specific allocation for organic

² Actual total for organic only over period 1994-1997

13.3.5 General Comments

EC regulations 797/85, 2328/91, 866/90, 2085/93 were not used by the Italian Government or by the Regional Government for the development of organic farming. An exception is Marche, where the Regional Agricultural Minister comes from the Green party and has put organic farming as the main priority in both Reg. 866/90 and 2328/91 (now 950/97).

13.4 Regional and Rural Development Schemes

13.4.1 National/regional legislation

None

13.4.2 Organisations/projects which have received funding from regional or rural development schemes (EU, national and regional)

Examples of projects which have received funding through the EU structural funds include:

Objective 5b:

- AMAB, Marche - Objective 5b funding for the promotion of organic products from the Marche region in Italy, Germany, USA and the UK.
- APROBIO, Friuli, - Objective 5b funding for a training and extension project for organic farming

- Terra e Cielo co-operative, Marche – Another leading firm in producing and processing cereals, especially for pasta making.
- Alce Nero co-operative, Marche - The Alce Nero co-operative has organised an integrated system for the harvesting, processing and marketing of organic cereals.

LEADER II:

- ARPA (*Associazione regionale Produttori Agrobiologici*) regional organic farming association in Sardinia - LEADER project “Organic farming and rural eco-development”. This project is involved with the provision of advice to farmers, investments in small food processing plants, marketing promotion, training of farmers and shop-keepers, renovations of buildings for tourists, promotion of eco-agritourism, etc.
- Alce Nero co-operative, Marche - The Alce Nero co-operative has organised an integrated system for the harvesting, processing and marketing of organic cereals. It has also organised activities to promote organic methods, an area in which it is now the leading Italian centre.
- A new farming technique: the development of medicinal plants, Piemonte - In order to diversify their activities and increase their revenue, farmers organised themselves into a co-operative for producing and processing medicinal plants according to organic farming principles.
- “Ur-Paarl nach Klosterart”, Trentino-Alto Adige: The LEADER programme encouraged the revival of the Ur-Paarl (traditional bread from the high valley of the Adige) by partly funding the project design, market research, promotion of the action and establishment of quality standards. A key element is the introduction of organic production standards in farming and bakeries to access new markets.

13.4.3 Organisations active in regional or rural development within the organic sector

- IAM (Istituto Agronomico Mediterraneo), Puglia, - multidisciplinary and integrated project, part of whose aim is to develop the marketing of organic products from that region. Funded through EC Regulation 2078.
- In Tuscany, an agreement has been signed by the regional government, ARSIA (the Regional Agency for the Innovation in Agriculture), the three regional parks and by CTPB (the organic association member of AIAB), for the development of organic agriculture and animal husbandry. This agreement includes training, advice, information through leaflets, specialised shops within the parks, and a new label "organic farms of the parks". It aims to convert 30% of existing farms in three years.

- In Emilia Romagna, a similar agreement has been signed by Regional Government, AIAB and the Co-ordination of the regional parks and reserves. Advice, training, visit to farms, workshops will be organised in the next years.
- In Marche, the regional programme approved by the Department of Agriculture (Assessorato all'Agricoltura) included specific actions for organic farming: cereal storage/processing; promotion/marketing; extension.

13.4.4 Public expenditure (MITL)

Project	Year	Forecast						
		93/94	94/95	95/96	96/97	97/98	98/99	99/00
AMAB	Budget:					200		
	Actual:					200		
	EU %:					50%		
	EC Reg:					Obj 5b		

nd = no data available

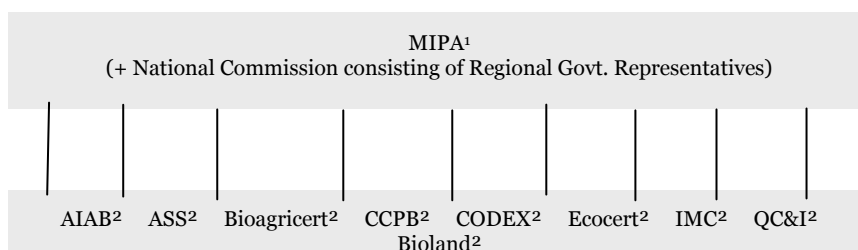
Development of medicinal plants, Piedmont: ECU 131 582 (LEADER 1), 271 580 (Objective 5b)

No funding details available of other LEADER projects.

13.5 Organic production standards, inspection and certification

13.5.1 Actors

13.5.1.1 Main bodies involved in administration, inspection and certification



¹ Competent Authority responsible for administration of EC Reg. 2092/91

² Inspection and certification

MIPPA = *Ministero per il Coordinamento delle Politiche Agricole*

AIAB = *Associazione Italiana per l'Agricoltura Biologica*

ASS = *Associazione Suolo e Salute*

CCPB = *Consorzio per il Controllo dei Prodotti Biologici (mostly controls co-operatives)*

CODEX = *set up by the Biodynamic movement to separate certification and extension activities.*

IMC = *Istituto Mediterraneo di Certificazione*, was set up by AMAB, like above.

Ecocert Italia = *with QC&I, latest entry into the system*

QC&I = *latest entrant into the system*

Bioland = *Ökologischer Landbau, operates only in the Province of Bozen.*

PLEASE NOTE that AGRIECOBIO, a certifier operating since 1994 was not recognised in 1997 by the MIPPA, due to the fact that the association has dissolved. Most of its farmers are now certified by QC&I and Ecocert.

MIPPA is responsible for administering 2092/91 inspection and certification through a National Commission which includes representatives of various ministries and of all regional governments. At the beginning of 1997 there were eight recognised certifiers operating all over Italy.

A ninth certifier (Bioland-BioZert) has been operating only in the German speaking Province of Bozen (Südtirol) since 1994.

13.5.1.2 Private sector bodies operating their own set of standards

AIAB, ASS, Bioagricoop, CCPB, CODEX and IMC are NGOs set up by organic producers, co-operatives and technicians. Ecocert Italia, QC&I and Bioland-BioZert are private bodies. Their standards all comply widely with EC Regulation 2092/91. For animal production and processed food, each have standards which are to a large extent based on the IFOAM standards.

CODEX certifies mainly but not exclusively bio-dynamic producers who can use the Demeter logo, if they comply with Demeter International standards. AIAB and AMAB grant their logo only to those producers that have converted the whole of their farm and in that respect their standards are stricter than the EC Regulation 2092/91. They both belong to IFOAM. ASCI is not, strictly speaking, a certifying body, but many local fairs and organic markets will accept non-certified farmers and processors if they are member of ASCI which includes small-scale traditional organic producers & processors and also traditional craftsmen among its members.

13.5.2 National definition for organic farming (not EC Reg. 2092/91)

13.5.2.1 National legislation defining organic farming

None

13.5.2.2 Non-legal national definition of organic farming

In Italy, the first “Standards for Organic Farming” were approved in 1988 by the National Commission “*Cos è biologico*” (What is organic?) which acted as an umbrella organisation until the foundation of AIAB. AIAB was founded as an umbrella organisation to continue the work of the above-mentioned commission. AIAB is the largest certifying body and operates on almost 50% of the organic UAA. Its standards are stricter than 2092/91.

13.5.3 Prosecutions in breach of 2092/91 legislation or any other national legislation

Before the D.L. 220/95 (national law implementing EC Reg. 2092/91) many producers, processors and traders were brought to court accused of fraudulent trading (with the exclusion of the Marche region, where the L.R. 44/92 has been in operation since 1992). One of the largest fruit and vegetables co-operative producer, based in Friuli (CONFABI) was obliged to close down due to these occurrences. In the past year, the CONFABI was fully acquitted by the courts. Some breaches have been reported to the MIPA, but no action has been taken yet.

The issue of certification and controls is very sensitive: after incident concerning the certification of table grapes supposedly not conforming to

the EC Regulations (and whose certification was refused by another body), the ASS was expelled from the FIAO.

13.5.4 Financial support towards inspection and certification costs

In Tuscany, the regional law L.R. 49/97, introduced on 16th July 1997, introduced an annual contribution of 300 000 ITL per farmer for a period of three years. The only requirement is to comply with EC Reg. 2092/91 and to have a total cost of the certification higher than the grant.

In Marche, the new regional law passed in December 1997 (L.R. 76/97) has introduced an annual contribution of max. 600 000 ITL per farmer for a period of three years.

13.5.5 Average inspection and certification costs (ITL)

Certification costs may vary from body to body, but the following list gives an idea of the range of the costs based on AIAB and AMAB tariffs (fee excluding VAT):

Producers: 200 000 ITL min.,	8 000 000 ITL max.:
Fodder crops:	16 000-40 000/ha
Natural pastures:	3 000-12 000/ha
Cereals, beans, other grains:	20 000-40 000/ha
Orchards, vegetables, vineyards for table grapes:	70 000-120 000/ha
Olive trees, chestnuts, almonds and hazelnuts:	30 000-50 000/ha
Vineyards for wine production:	70 000-120 000/ha
Bovines (adults) (if certification required):	2 500-11 000/head (depending on the size of the herd)
Sheep, goats, pigs (if certification required):	966 (800)-2 000/head (depending on the size of the herd)

Processing (or importing or marketing) firms

(min. 400 000 ITL, max. 8 000 000 ITL)

Tariff is calculated at 3-0.7% + VAT (20%) of the organic output.

Production and Processing (or importing or marketing) firms:

min. 400 000 ITL, max. 5 000 000 ITL. Calculated as cases above.

13.5.6 Public expenditure for the administration, inspection and certification under 2092/91 or any national definition

No data available

13.5.7 General comments

A price war on the tariffs for certification is likely to happen in the near future. Certifiers have limited budgets and are in competition for new clients. This can have at least three different results:

- Increased conversion to organic farming due to the promotion of conversion by the certifiers
- a decrease in tariffs borne by the organic producers (and therefore by consumers)
- looser controls and more free riders, due to softer rules and fear of losing "clients".

13.6 Advice and extension

13.6.1 National/regional programmes

Since 1972 the provision of extension generally is the responsibility of the regions and varies considerable.

Eight regions (Friuli, Emilia Romagna, Marche, Apulia, Sardinia, Umbria, Lazio, and Tuscany) have some special provision aiming to facilitate a more widespread adoption of organic farming.

Some regional programmes are supported under LEADER (Sardinia) or Objective 5b (Marche).

The region Marche included support in the organic farming legislation that was approved in December 1997 (50 000 ITL per hectare, max. 1 MITL per farm).

13.6.2 General provision of extension

- The organic producer's organisations (e.g. AIAB, AMAB, and Demeter) supply technical advice about organic farming, usually as a service to their members. The membership fee includes a magazine, participation in meetings and conferences and the regional groups.

- Advice on subsidies and CAP programmes is given by four national farmers' unions and/or the advisors employed by either the Department of Agriculture or by the Authority for the Development of Agriculture.
- Private consultants are available almost everywhere in Italy and supply more detailed technical advice, such as conversion plans, for which the farmer has to pay the full costs.
- Since March 1998 the CEDAS offers information on sustainable agricultural practices, including organic ones via the Internet. The website (<http://www.agraria.it/cedas/>) contains a bibliographic data bank on sustainable agriculture on line.

There is no national initiative for training or information provision to the advisors, the producer organisations and regional governments have organised some training days/seminars for the advisors in their specific region/organisation.

13.6.3 Public expenditure

No data available, budgets for organic extension are included in main budgets for agricultural extension.

13.6.4 General comments

A distinction should be made, between technical advice and advice on aid programmes and legislation.

The advisors of the four farmers' unions and/or the advisors employed by either the Department of Agriculture or by the Authority for the Development of Agriculture generally provide information about the implementation of CAP and the various options. If the local advisors do not create awareness about organic farming at this stage, producers might not know about aid programmes under EC Reg. 2078/92.

Access to technical information is still regarded as a problem: in some regions the extension agent might know something, farmers might get contact with other organic producers in the neighbourhood or with organic farming associations.

Until last year, technical advice was often provided by the same person that was also inspecting the farm, whereas now these two tasks have to be separated.

13.7 Training and education

13.7.1 National/regional programmes

None in operation.

13.7.2 General provision of training

The national curriculum for agriculture does not include any organic farming and the space for individual schools/colleges to manoeuvre within the given framework is limited. (Agricultural training in Italy was in the past strictly organised in three levels: IPSA- agricultural high schools (Istituto Professionale di Stato per l'Agricoltura); ITA- technical colleges (Istituto Tecnico Agrario); Facoltà di Agraria (University). Currently all providers are changing the length of the courses they offer.

In general terms the institutions have dismissed organic farming as "a return to the past, archaic, without scientific knowledge, etc" and there is currently no IPSA or ITA offering any specialised courses or qualification in organic farming.

Recently, MIPA has approved a programme to establish a "National School on Organic Farming", based at the Centro Mancini, near Perugia (former CIFDA – national school of extension). According to the Ministry the school should start operating in June 1998. No other clear information is available insofar.

At academic level there are optional modules at some universities. The University of Viterbo has participated in the European Curriculum Development Group and offers some courses in organic farming.

Training courses for farmers are the responsibility of the Regions, and many regions have delegated this to the provinces. Funding for such training courses comes either from the Ministry of Labour or the Ministry of Agriculture. Courses on organic farming are offered in almost all regions; they are organised by local government or private organisations such as farmers' unions, organic farming associations and other training centres (e.g. CESAR, Centre for the Rural and Agricultural Development in Umbria with involvement of the University of Perugia and the Municipality of Assisi). This includes courses for unemployed (e.g. Ministry of Labour, with funds from a Multi-Regional Programme, has financed CESAR to organise three courses on Organic Farming for 20 unemployed people, each course lasting 500 hours in the regions Lazio, Umbria and Emilia Romagna during 1998).

Santucci (1992) surveyed all the courses in 1992 but a lot has changed since then and it is therefore impossible to quantify the number, types of courses, budget and funding sources. The government (Ministry for Labour) has now commissioned a report to evaluate the present training

opportunities in all regions and training needs, and to suggest curricula that could meet those needs.

13.7.3 Public expenditure

No specialist training at technical and academic level. Due to the regional structure the figures for farmer training courses cannot be obtained without a detailed survey of all institutions involved.

13.7.4 General comments

Even though several organisations offer courses in organic farming, it is not always ensured that teachers have some qualification or experience in the field.

13.8 Research and development

13.8.1 National/regional programmes

The region of Marche included funding R&D in the regional legislation for organic farming, approved on 29th December 1997.

13.8.2 General provision of research

There are some research projects carried out by universities as well as the Regional Agencies for Development of Agriculture, mainly in the socio-economic field.

An inventory of projects in the field of sustainable agriculture was carried out by CEDAS (Centro Documentazione Agricoltura Sostenibile) which included the area of organic farming, even though there were some difficulties to clearly identify projects that deal with organic farming. A more thorough review of research in sustainable agriculture with specific keywords on organic farming has been carried out by CEDAS and IAM (Istituto Agronomico Mediterraneo) in 1997 and was published in 1998.

The region of Marche included funding R&D in the regional legislation for organic farming, approved on 29th December 1997.

The Centro di Sperimentazione Agraria e Forestale (Centre for Agriculture & Forestry Research) based in Laimburg near Bozen has a team of three researchers working only on organic fruit cultivation.

In 1996 the Italian Group of Researchers in Organic Farming (GRAB-IT) was founded; its member were initially only agricultural economists, but it has now been enlarged to include researchers in other fields (actual

membership: 18 researchers). Its aims are to provide co-ordination of research efforts in the field of organic farming and to facilitate the exchange of the most updated research results. It organises workshops and has published one book on organic enterprises and other research papers. The contacts are all kept via e-mail.

13.8.3 Public expenditure

The region Marche has budgeted 301.8 (250) MITL for R&D (97/98 figure). Otherwise no data are available.

13.8.4 General comments

The difficulties to identify organic farming projects through surveys might partly arise because researchers use the broader term sustainable agriculture for fear of prejudice of colleagues against work on organic agriculture.

13.9 Future policy developments

Research will surely grow, against the opinion of some very important "decision makers", because younger researchers, local politicians, and the EU wants to do research on organic farming. This means that very likely no co-ordinated research on a national basis will take place. More likely, there will be many small or bigger projects, most of them with a regional or sectoral approach.

Education in state schools and universities will follow the same path, due to the higher autonomy that schools and universities have since 1996 in determining their courses and programmes.

Vocational training for young people and for adult farmers will continue to be offered by a variety of institutions, mostly private or controlled by farmers associations (organic and/or conventional).

Advice will be provided mostly by freelance advisors, possibly within the framework of project or programmes financed by the EU or by the Regions.

Income support measures, like 2078/92, will continue to subsidise producers who can more easily convert their farming systems, while very intensive growers will convert only if the premium price remains high. The subsidies should be better targeted (according to zones and farming system), but this is unlikely to happen.

Consumers demand will grow because supermarkets are entering the sector and because municipalities, regions, associations, etc. are really creating public awareness about the beneficial aspects of organic food. At the moment, though, 43% of Italian organic production is exported, and

40% of total domestic organic sales are by specialised shops which are often quite small.

13.10 Literature

In recent years, studies about the economics of organic farming in Italy have been quite numerous, due to the interest shown by a number of agro-economists in various universities and other institutions. In most cases, these researchers have been working independently and using funds from different sources, since neither the Ministry of Agriculture (now Ministry for the Co-ordination of Agricultural Policies - MIPA) nor the National Research Council has supported any nation-wide research programme. The only co-ordination has been tried by GRAB-IT that is successfully creating a network of interested parties. Minor efforts were spent on the agri-environment measures. Information on 48 publications were provided. Key publications are listed here.

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Pedrini, P. (1994) L'assistenza tecnica all'azienda che fa biologico (Technical advice to organic farms). Terra e Vita, 10, p2.

Pennacchi, F. (1994) La riforma MacSharry: gli effetti sulle aziende della RICA (The Mac Sharry reform: effects on the FADN farms). Istituto di Economia e Politica Agraria, Perugia.

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14 LU – Luxembourg

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14.1 Organic farming support under agri-environment and extensification programmes

14.1.1 Actors

14.1.1.1 Organisations Involved In setting up 2078/92 or other organic farming support scheme

- Ministry of Agriculture
- Administration des Services Techniques de l'Agriculture (ASTA)
- Service d'Economie Rurale (SER)

14.1.1.2 Organisations Involved In operating 2078/92 or other organic farming support scheme

- As above

14.1.2 National/regional legislation which provided organic farming support before 2078/92

The extensification programme (EC Reg. 4115/88) was used to support organic farming (as in Germany) from 1992, but was not limited to organic farmers. This scheme was still available for new entrants in 1997, but will be superseded by new 2078/92 schemes.

14.1.3 Agri-environment measures implemented

	Measure	Start year	Number of farms		Land area (ha)	
			15/10/97	15/10/1997	15/10/1997	15/10/1997
1	Countryside stewardship ¹	1996	1 908		94 392	
2	Specific 2078/92 extensification programmes including new organic farming scheme and 20 year set-aside scheme ²	1998	na	na	na	na
			Organic farming: (1998) 14	Organic farming: (1998) 720		
3	Previous extensification scheme	1992	16		827	

Sources: 2078/92 statistical reports by Member State to European Commission

1998 data: European Commission

¹ excludes horticulture and viticulture (not eligible)

² not yet operational

14.1.4 Details of organic farming scheme

Although the organic farming scheme was agreed with the Commission in 1995 (STAR, 1995), it was not implemented until December 1997. Therefore, most of the details given here relate to the Countryside Stewardship scheme which was approved in 1996 and is open to all producers, conventional and organic. Where appropriate, indications are given concerning the provisions of the 1995 agreement specifically relating to organic farming, as it is assumed that these apply from 1998. Other programmes agreed in 1995 but not introduced until 1998 include, for example, stocking rate reductions, management of field margins, protection of water courses, management and planting of hedgerows, as well as some local and site specific initiatives. These are not considered in further detail here.

14.1.4.1 Requirements and eligibility conditions

	Countryside Stewardship	1998 Organic farming scheme (based on STAR, 1995)
Farmers eligible to participate	All (also 1992 scheme)	Converting () Continuing ()
Organic certification requirement	- (also 1992 scheme)	() 2092/91 control by approved body
Maximum size/payment limit	() 250 000 LUF/farm (ca. 70 ha); 200 000 LUF/part-time farmer (no limit 1992 scheme)	() 300 000 LUF/farm for continuing and 350 000 LUF/farm for converting farmers (Effectively ca. 50 ha)

Requirements and eligibility conditions (cont.)

	Countryside Stewardship	1998 Organic farming scheme (based on STAR, 1995)
Minimum size/payment limit	☑ 3 ha (no limit 1992 scheme)	-
Stocking rate limit	☑ 2 LU/ha	☑ 1.4 LU/ha
Eligible crop restrictions	☑ Cereals < 80%, maize < 70% of arable land; permanent grassland excluded	-
Organic management of livestock	-	☑
Staged conversion possible	na	Not specified
Part farm conversion possible	na	Not specified
Training and/or advice provided	-	-
Other restrictions	☑ Conserve hedges and trees on grassland. No further draining or conversion of grassland to arable land permitted. Restrictions on fertiliser applications. Soil analysis required for monitoring. 1992 scheme: stocking rate and crop area to be reduced by 20%	-
Adjustments to original scheme	-	-

☑ = yes, - = no na = not applicable

14.1.4.2 Regional variations

None

14.1.4.3 Payment rates for organic farming scheme (LUF/ha)

Year	Region	Land use/type	All farms	Comments
1996	Countryside stewardship	Not permanent grass	3 750 3 000	First 50 ha > 50 ha or part-timers
1998	New organic farming scheme		7 000 6 000	Conversion (2 years) Continuing
1992	Previous extensification scheme		6 000	No maximum

14.1.4.4 Support other than direct income payments as part of agri-environment scheme

Specific organic farming scheme only approved from 1998 – organic farmers can participate in other schemes, for which details below apply:

Scheme administration Running and monitoring costs (also 1992 scheme)

Other	Soil analysis
-------	---------------

14.1.5 Combinations between organic farming and other agri-environment measures

14.1.5.1 Main requirements and payment levels for combinable or competitive agri-environment measures

Organic farming is not differently treated compared with alternative options (at least until new scheme approved in December 1997). Integrated agriculture is not a specific option for Luxembourg's farmers, so if they decide to do integrated agriculture and fulfil the requirements of the extensification regulation, they can receive support out of this programme. The problem for organic farmers is that they only receive money for the extensification of the farm land or livestock reduction but not for organic farming measures. In Luxembourg the agri-environment programmes are not specifically for organic farming. If a farmer joins the extensification programmes, whether organic farming or not, he receives the same support.

However, local schemes do provide some additional support:

Municipal measure	Main requirements	Typical payments (LUF/ha)	Relationship to organic
Water protection scheme in the Redange Municipality	Whole farm fertilising plan for year.	2 000	Combinable with main agri-environment scheme (Landschaftspflegeprämie).
	Maximum N-min levels: General: 100% payment, < 30 kg/ha; 50% if 30-50 kg/ha.		
	Maize: 100% payment if < 60 kg/ha; 50% if 60-80 kg/ha	3 000	Organic farming specific option
	Mechanical weed control		
	Organic farming conversion option (5 years) - certification required	9 000	

14.1.6 Public expenditure and EU contribution for organic farming and other agri-environment schemes (MLUF)

	Scheme	Year 15/10	1993	1994	1995	1996	1997	1998	1999
1	Countryside stewardship	Budget	na	na	na	na	nd	300	225
		Actual	na	na	na	na	173.6	na	na
		EU%	na	na	na	na	50	50	50
3	Previous extensification programme	Budget	nd	nd	nd	nd	nd	2 846	7 778
		Actual	2 079	7 384	7 371	7 236	7 736	na	na
		EU%	25/50	25/50	25/50	25/50	25/50	25/50	25/50

na = not applicable, nd = no data available

14.1.6.1 Reasons for adjustments to budget

Budget reduced in 1997/98 because of planned start of new 2078/92 scheme. Budget increased again in 1998/99 because of delayed start.

14.2 Impact of mainstream agricultural support measures on organic farming

14.2.1 Actors

- SER
- ASTA

14.2.2 National/regional legislation

Not applicable

14.2.3 Variations in mainstream CAP Reform measures implemented

All standard measures implemented except male calf processing scheme.

14.2.4 Set-aside management requirements and implications for organic farming

For the management of set-aside there are two options:

1. Industrial (non-food) crops, e.g. rapeseed oil for diesel.
2. Fallow - following requirements are implemented:
 - a minimum level of maintenance has to be guaranteed (the area should not be completely naturalised)
 - once a year the area has to be mowed and the mulch has to be left on the area;
 - no fertilising, pesticides or herbicides are allowed.

These requirements have not resulted in beneficial or adverse impacts on existing or converting organic farmers. These requirements are not combined with specific farming systems, so that organic farmers and conventional farmers are treated in the same way.

14.2.5 Impacts of other measures on organic farming

None as most of the farms qualify for the small farms scheme

14.2.6 Special provisions for organic/converting producers

None

14.2.7 Environmental cross-compliance measures and implications for organic producers

Not applicable

14.2.8 Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming

Not applied

14.2.9 Impact of national or regional aids on organic farming

Water protection schemes have positive impact.

14.3 Marketing and processing schemes

14.3.1 Actors

None

14.3.2 National/regional legislation (not EU-derived)

None

14.3.3 Public expenditure (MLUF)

Project	Year	Forecast						
		93/94	94/95	95/96	96/97	97/98	98/99	99/00
Marketing of organic products ¹	Budget:						2	2
	Actual:						nd	nd
	EU %:						15%	15%
	EC Reg:						866/90	866/90
Total	Budget:						2	2
	Actual:						nd	nd
	EU %:						15%	15%

nd = no data available

¹ Not yet approved

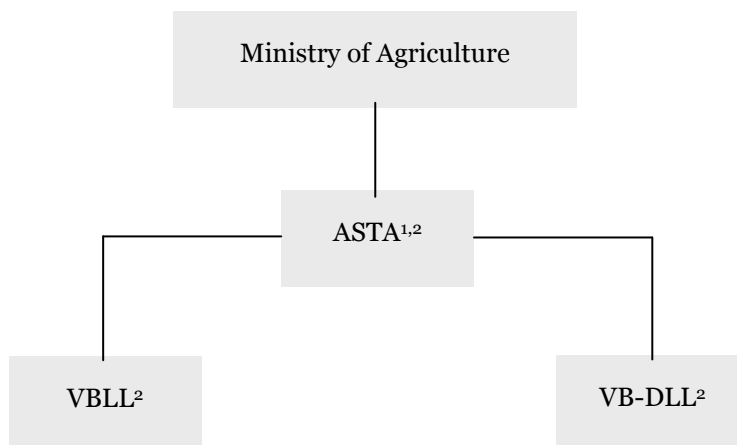
14.4 Regional and Rural Development Schemes

No support programmes for regional or rural development affecting the organic sector have been identified.

14.5 Organic production standards, inspection and certification

14.5.1 Actors

14.5.1.1 Main bodies involved in administration, inspection and certification



VBLL: Vereinigung fir biologische Landbau Letzeburg asbl (BioLabel); VB-DLL: Veräin fir biologesch-dynamesch Landwirtschaft Letzeburg asbl (Demeter)

¹ Competent Authority responsible for administration of EC Reg. 2092/91

² Inspection and certification

ASTA is a government body in the Ministry of Agriculture designated to administer inspection and certification under EC Reg. 2092/91. Inspection and certification in Luxembourg is carried out by the private sector bodies VBLL and the VB-DLL. The government is involved in inspection and certification to the extent that it is required to carry out spot inspections of certified farms and also carries out inspections of those operators who are not members of the private sector bodies.

14.5.1.2 Private sector bodies operating their own set of standards

Both private sector bodies mentioned above operate their own standards. The VBLL standards are equivalent to the German Bioland standards for organic farming and the VB-DLL standards are equivalent to the Demeter-standards for bio-dynamic farming. These standards are stricter than the standards of the EC Reg. 2092/91, but are comparable to IFOAM standards.

14.5.2 National definition for organic farming (not EC Reg. 2092/91)

14.5.2.1 National legislation defining organic farming

None

14.5.2.2 Non legal national definition of organic farming

Although there are no specific national standards as such, every organic farm, which is certified or in conversion is organised in one of the two organic farming organisations mentioned above, so their standards were the nationally recognised standards prior to EC Reg. 2092/91. The VB-DLL standards and the VBLL standards were first agreed in 1988 and 1989 respectively in the foundation years of the two organisations. As a minimum legal requirement these standards have now been replaced by 2091/92 for crop production and remain the only standards in Luxembourg for livestock production.

14.5.3 Prosecutions in breach of 2092/91 legislation or any other national legislation

Although there have been no prosecutions in breach of 2092/91 legislation, a lot of regionally labelled food products have been introduced to the market in recent years which some organic farmers believe to be confusing to the consumer. The problem is that consumers equate “regional production” with “organic production”, so the conventional products benefit from the image that organic farming has. Examples of these marks of origin are:

- “Naturfleisch vum Bauerenhaff” (pigs, chickens, lambs and calves)
- “Véi vum Séi” (meat)
- “Téi vum Séi” (tea and herbs)
- “Produit du terroir” (beef)

14.5.4 Financial support towards inspection and certification costs

Producers receive financial support indirectly via the two private sector bodies which are subsidised by the government.

14.5.5 Average inspection and certification costs (LUF)

Initial inspections: 24 000

Subsequent inspections: 18 000

14.5.6 Public expenditure for the administration, inspection and certification under 2092/91 or any national definition (MLUF)

		Forecast					
	Year	93/94	94/95	95/96	96/97	97/98	98/99
Support of certification bodies ¹	Budget	0.5	0.5	0.5	0.487	0.3	0.3
	Actual	0.414	0.385	0.597	0.506	nd	nd
Other (general support of unions and organisations)	Budget	0.5	0.5	0.5	0.320	0.5	0.5
	Actual	0.586	0.615	0.413	0.3	nd	nd
Total	Budget	1	1	1	0.807	0.8	0.8
	Actual	1	1	1.01	0.806	nd	nd
	EU %	0	0	0	0	0	0

nd = no data available

¹ Includes administration costs

14.6 Advice and extension

14.6.1 National/regional programmes

None

14.6.2 General provision of extension

In Luxembourg there are two certification bodies that also provide advice to organic farmers. The costs for this advice is until now included in the membership fee. An organic farming consultant who is paid 50% by the government has been granted to two certification bodies (BioLabel and Demeter).

14.6.3 Public expenditure

	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Total extension	0	0	0	0	nd ¹	nd	nd

nd = no data available

¹ 50% of the wages of one advisor will be paid, but budget is not yet available

14.7 Training and education

No specific programmes or initiatives to provide any training in organic farming could be identified.

It is recommended that interested individuals should seek opportunities elsewhere.

14.8 Research and development

No public research involvement could be identified. Some individuals do small research projects on a private basis.

14.9 Future policy developments

The organic farming sector is very small so no further specific organic farming schemes planned. Two private organisations (Demeter and Bio Label) aim for consultant with a maximum support of fixed at 50%. General support for unions and organisations has been reduced during the last few years.

14.10 Literature

Deblitz, C. and R. Plankl (1997) EU-wide Synopsis of Measures according to Regulation (EEC) 2078/92 in the EU. Federal Agricultural Research Centre, Braunschweig.

STAR (1995) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/3807/95 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Establishes agri-environment programme including organic farming, not implemented until 1998).

STAR (1996) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/6234/96 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Establishes countryside stewardship scheme implemented in 1997).

A sector planning analysis of EC Reg. 866/90 as implemented in Luxembourg has been carried out for horticulture, viticulture and potatoes. The organic farming sector is part of the market analysis of horticulture. The unpublished study was carried out by order of the Ministry of Agriculture.

15 NL – Netherlands

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15.1 Organic farming support under agri-environment and extensification programmes

15.1.1 Actors

15.1.1.1 Organisations involved in setting up 2078/92 or other organic farming support scheme

- Ministry of Agriculture, Nature Management and Fisheries
- Platform voor Biologische landbouw en Voeding (PBLV)

15.1.1.2 Organisations involved in operating 2078/92 or other organic farming support scheme

- Laser (administration)
- Skal (certification, directed by Laser)

15.1.2 National/regional legislation which provided organic farming support before 2078/92

There are no special support programmes for organic farming outside the policy framework of EC Reg. 2078/92. In November 1996, the Minister presented the *Plan van aanpak biologische landbouw* (PVA) to the Second Chamber. This included provisions to support marketing, training, research initiatives as well as to extend the level and scope of payments under 2078/92. This is intended to overcome stagnation in domestic market development and rates of conversion, and to lead to a significant increase in organic farming.

15.1.3 Agri-environment schemes (measures) Implemented

	Scheme	Start year	Regions	Number of farms at 15/10/97	Land area (ha) at 15/10/97
1	Regulation on Management Agreements and Nature developments (Agri-environmental contracts)	1995	All	7 019	28 120
2	Organic crop production scheme	1994	All	265	4 640
3	Demonstration and awareness projects (concerning a more environmentally and nature friendly management of horticultural holdings)	1994	All	84 projects	na
4	Training courses	1994	All	(1996) 17 268 participants	(1996) 1 277 courses
5	Aid to farmers who give public access on agricultural land along the network of footpaths	1995	All	23	na
6	Beef extensification	1996	All	(1996) 14	nd
7	Rare breeds	1998	All	-	-

Source: 2078/92 statistical reporting by Member State to European Commission

na = not applicable, nd = no data available

15.1.4 Details of organic farming scheme**15.1.4.1 Requirements and eligibility conditions**

Farmers eligible to participate	Converting ☐ Continuing ☐
Organic certification requirement	☐ 2092/91 with Stichting Skal, by order of the government.
Maximum size/payment limit	☐ 100 000 NLG/farm converting, 50 000 (30 000 pre-1996) continuing and fodder crops. Maximum limits to be abandoned in 1998.
Minimum size/payment limit	☐ farm >120 standard business units (sbe) and unit to be converted >40 sbe
Stocking rate limit	-
Eligible crop restrictions	☐ Grassland and fodder crops excluded initially.
Organic management of livestock	-
Staged conversion possible	☐ Within 5 years

Requirements and eligibility conditions (cont.)

Part farm conversion possible	☑ At least one complete production unit/enterprise must be converted
Training and/or advice provided	☑ Optional
Other restrictions	-
Adjustments made to scheme	☑ Grassland and fodder crops supported from 11/1996 for farms <i>maintaining</i> organic farming, but only for one five-year period (i.e. ineligible for future schemes). Maximum support per farm maintaining organic farming increased from 30 000 NLG to 50 000 NLG in 1996. Payment rates increased and maximum limits per farm removed from 3/1998.

☑ = yes, - = no

15.1.4.2 Regional variations

None

15.1.4.3 Payment rates for organic farming scheme (NLG/ha)

Year	Region	Land use/type	Conversion (5 years)	Continuing	Comments
1994-1997	All	Arable	500	All crops	Maximum/farm over 5 years
		Field vegetables	1 200	Year 1 – 400	
		Protected crops	1 850	Year 2 – 350 Year 3 – 300	Conversion: 100 000
		Fruit	1 850	Year 4 – 250 Year 5 – 200	Continuing: 50 000
		Grass/fodder (from 11/1996)	as continuing		
1998 (from March)	All	Arable	500	All crops	No maximum
		Field vegetables	2 500	Year 1 – 400	
		Protected crops	2 500	Year 2 – 350 Year 3 – 300	
		Fruit	5 000	Year 4 – 250 Year 5 – 200	
		Grassland and fodder crops	as continuing		

15.1.4.4 Support other than direct income payments as part of organic farming scheme

Marketing and processing	'Plan van aanpak' supports product promotion, consumer awareness, product development etc. (see also section 15.3).
Advice and information	General support for agri-environment demonstration projects (see also section 15.6).
Training and education	General support for agri-environment training projects (see also section 15.7). Increased availability of courses and qualifications funded by other means.

15.1.5 Combinations between organic farming and other agri-environment measures

 Optional

15.1.5.1 Main requirements and payment levels for combinable or competitive agri-environment measures

	Measure	Main requirements	Typical payments (NLG/ha)	Relationship to organic
1	Management Agreements	Pesticide, manure and fertiliser reductions, field margin management	Contract type: Light 250 ECU Heavy 350 ECU	Combinable
5	Public access	10 year agreements	2.2 /metre	Combinable
6	Beef extensification	Reduce LU/ha forage by at least 10% to min 1.0 LU/ha, max 2.0 LU/ha within 12 months. Forage crop area must be maintained. Eligibility: >2LU/ha, >15 LU male cattle	80/LU	Not combinable if entitled to or receiving organic forage crops support
7	Rare breeds		265/LU	nd

nd = no data available

15.1.6 Public expenditure and EU contribution for organic farming and other agri-environment schemes (MNLG)

Scheme	Year to	Year to						Forecast
		15/10	1993	1994	1995	1996	1997	1998
1 Management agreements	Budget		nd	nd	nd	nd	nd	24.7
	Actual		15.5	nd	13.1	nd	18.6	na
	EU share		3.0	nd	5.4	nd	9.0	12.4
2 Organic farming scheme	Budget		0	nd	nd	nd	nd	1.7
	Actual		0	nd	0.55	nd	0.76	na
	EU share		0	nd	0.34	nd	0.44	0.9
3 Demonstration projects	Budget		0	nd	nd	nd	nd	25.3
	Actual		0	nd	1.26	18.9	60.4	na
	EU share		0	nd	0.63	9.6	30.7	13.9
4 Training courses	Budget		0	nd	nd	nd	nd	9.0
	Actual		0	nd	nd	9.0	9.0	na
	EU share		0	nd	nd	4.65	4.65	4.7
5 Public access	Budget		0	0	0	nd	nd	0.025
	Actual		0	0	0	0.014	0.04	na
	EU share		0	0	0	0.017	0.02	0.01
6 Beef extensification	Budget		0	0	0	0	nd	nd
	Actual		0	0	0	0	nd	na
	EU share		0	0	0	0	nd	nd
<i>Total</i>	Budget		nd	nd	nd	nd	nd	60.7
	Actual		15.5	nd	44.6	nd	88.8	na
	EU share		3.0	nd	51	nd	44.8	31.9

Source: 2078/92 statistical reporting by Member State to European Commission. Forecast based on committed expenditure.

na = not applicable, nd = no data available

15.1.7 General comments

The initial organic farming scheme approved (STAR, 1994) covered only organic crop production as it was envisaged that a second scheme for organic livestock production would be submitted shortly afterwards. Fodder crops and grassland were therefore excluded from the original scheme. Support for existing organic producers was justified on the basis of organic price reductions as supply expands with new converters, while support for converting producers was based primarily on lack of access to premiums during conversion period. The scheme for organic livestock was not introduced as originally envisaged. In 1996 (STAR, 1996a), a revision to the organic crop production scheme allowed the inclusion of fodder crops and grassland in the maintenance of organic farming scheme. A later revision (STAR, 1996b) clarified that applications for support would be limited to one five-year period only – i.e. producers should be able to survive without public support subsequently and would not be allowed to reapply. In addition, to qualify farmers must bring all arable and field horticultural crops into the scheme, and they would not qualify for the beef extensification scheme (STAR, 1996c).

In 1994, 69 cropping farmers applied to Skal for certification and asked for conversion aid. By May 1995, only 10 of these farms actually received conversion aid (IKC, 1995). Of the farmers who asked for support within the organic farming scheme in 1996, 17 farmers eventually received support in 1997, one year after application (Swavinck (Laser), 1997, pers. comm.). In 1997, 288 farmers applied or reapplied for support within the organic farming scheme. Of these 112 were approved, 39 not approved, 8 withdrawn and 29 settled in 1998. Compared to 1996, the number of approved requests has increased significantly, due to the inclusion of fodder crops since November 1996. More than 80% of the 1997 approvals included fodder crops.

Both organic and integrated farming are seen as contributing to sustainable agriculture. Research priorities have focused on integrated farming, while organic farming represents another route that has largely been developed in practice. However, the Ministry of Agriculture deliberately avoids clear statements on relative priorities, seeking to support all forms of sustainable agriculture. The Ministry of housing, spatial ordering and environment, however, gives priority to integrated farming, with no priority to organic farming, in terms of the allocation of available funds, but has less of an influence on agricultural policy. There is no official programme or scheme to stimulate integrated agriculture. Integrated farmers can make use of measures within 2078/92 such as the demonstration projects. Farmers choosing the organic farming support scheme are primarily motivated by market opportunities and conviction, therefore none of the schemes which potentially support integrated farming can be considered competitive.

15.2 Impact of mainstream agricultural support measures on organic farming

15.2.1 Actors

Not available

15.2.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Legislation not identified

15.2.3 Mainstream measures implemented

All standard measures implemented.

National policies include the pesticide reduction and manure transfer programmes, as well as farm-gate nutrient balance controls.

15.2.4 Set-aside management requirements and implications for organic farming

Information on management requirements of compulsory set-aside under general arable support scheme not provided.

The organic sector increased use of set-aside in the period 1991-1996. The percentage of use is higher than in conventional agriculture.

15.2.5 Impacts of other measures on organic farming

Existing organic producers may have benefited from the mainstream arable measures, but the adverse impacts on existing organic livestock producers due to lower livestock quota allocations than would have been the case had they remained under more intensive, conventional management are limited. Further, as most farms are specialised crop farms or specialised livestock farms (less than 5% of farms are mixed with both arable crops and livestock), the effect on the balance between arable and livestock enterprises on the farm is very small. Most arable farms will remain specialised farms, also after conversion.

15.2.6 **Special provisions for organic/converting producers**

There are no special provisions and regulations for organic farmers with regard to the mainstream CAP Reform measures.

Organic farmers are currently not affected by the pesticide reduction laws (see below). The manure laws (see below) do have an impact as the measures are costly and also have to be met by organic farmers. Limitations on nutrient applications relate only to animal manures, which can have a greater impact on organic producers who do not use mineral fertilisers. However, special provisions do exist. They imply that (in future), if organic farms have troubles meeting the standards for NH₄ emissions, especially in poultry and pig-keeping, they will not have to farm within these norms. This exemption has to do with the fact that certain animal housing systems in organic farming (which do have advantages concerning animal health and well-being), may lead to higher NH₄ emissions than certain housing systems used in conventional farming.

15.2.7 **Environmental cross-compliance measures and Implications for organic producers**

See comments on manure and pesticide reduction laws below.

15.2.8 **Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming**

No information available.

15.2.9 **Impact of national or regional aids on organic farming**

The pesticide reduction programme primarily affects conventional producers as organic producers do not use pesticides. A reduction of pesticides in conventional farming might decrease the difference between organic farming and conventional farming, which in turn would decrease the inclination of consumers to buy the more expensive organic products. However, many consumers are not convinced by the decrease in the use of pesticides. Consumers buy largely on basis of the *image* of agriculture, their concern about pesticides and their desire for healthy food, not on actual numbers of pesticides.

The manure law (*Meststoffenwet*) and ‘manure- and ammonia policy’ (*Integrale Notitie mest- en ammoniakbeleid*) has four parts:

- a) Regulating levies on mineral losses on farms (the farm-gate nutrient balance controls)
- b) Regulating levies for intermediary firms, such as transporters, business people, those who process and ‘rework’ manure, etc.

- c) A destination-levy for farms to finance the costs for implementing the manure laws
- d) An exemption for the levies mentioned under 'a' and 'c' for farmers who have less than 2 LU/ha.

Regulation d) means that all organic dairy farms (the bulk of organic animal farms) are free from levies under 'a' and 'c'. 'b' does not apply to farms, so up till now, organic farmers are free from levies under the manure law. In the future, however, organic farmers will have to fulfil the standards for 'a' (the farm-gate nutrient balance controls). Much research is being carried out on concerning the nutrient-balances of conventional farms and organic farms. Results show that, on average (but not in the case of intensive horticulture and glasshouses), organic farms already meet the demands for P and N which will apply in 2030. In other words, for most organic farmers, these controls are not a problem. This gives organic farmers an advantage compared to intensive conventional farmers.

There is need for further research on mineralisation, emission, etc. of minerals in manure. On the basis of this research, organic farmers can continue optimising their nutrient efficiency and reducing their emissions. Note that this research has to deal with the manure on organic farms (with its specific quality, N/C ratio, etc), the soil on organic farms and the application of manure on organic farmland.

The positive results for organic farms could stimulate conventional farmers who have troubles fulfilling the demands to convert to organic farming. It appears that most of those farmers prefer to optimise the nutrient balance on their farm in a conventional way (precision farming, no overdose of N, etc.).

Organic farmers can also use the VAMIL-regulation (*Vervroegde Afschrijving Milieu Vriendelijke Investering*). The goal of this regulation is to increase the sustainable investments on the farm. Investments can be rapidly written down. This gives the farmer interest and liquidity advantage. Some conditions are bound to the regulation:

- the investments may not be done for widely used things/devices
- it must be possible to use these devices on a wide scale
- the devices must be included in the 'environment-list' of the Ministry of VROM (published in the Staatscourant, 24.12. 96). This list includes investments to reduce or prevent water pollution or water use, to prevent air pollution, soil pollution or litter and energy use.

15.3 Marketing and processing schemes

15.3.1 Legislation which provides/provided support for market and processing

1. Stimuleringsregeling innovatie markt- en concurrentiekracht (Regulation for the support of market innovation and competitiveness) [national]
2. Stimuleringsregeling innovatie markt- en concurrentiekracht (Regulation for the support of market investment and competitiveness, section Processing and Sales of Agricultural products) [EC Reg. 866/90]. Companies can receive a total subsidy of 17.5% of investments. There is an opportunity to double these percentages to a total 35% for investments that contribute far above average to the sector goals or that generate enormous spin-offs. In the Dutch situation, the only recipients of investment support of 35% are in the organic sector. The minimum investment level is reduced from 250 000 NLG to 150 000 NLG for the organic sector.
3. Subsidieregeling demonstratie- en kennisoverdracht (Financial subsidies for demonstration and knowledge transfer) [combined national and 2078/92]
4. Bijdrageregeling ARBO-projecten: Financial support for ARBO-projects (stopped in 1998)
5. Regeling natuur- en milieu-educatie (Regulation for nature and environmental education) [national]
6. Organic farming scheme (EC Reg. 2078/92). 'Plan van aanpak' supports product promotion, consumer awareness, product development etc.

15.3.2 Organisations/projects which have received funding from market and processing schemes (EU, national and regional)

Examples include:

- Biologica: A private federation to promote organic farming and trade
- PBLV

15.3.3 Organisations active in market development within the organic sector

- Vereniging Biologische-Dynamische landbouw (BD): Bio-dynamic producer organisation to promote bio-dynamic agriculture

- Nederlandse vereniging voor ecologische landbouw (NVEL): A producer organisation to promote organic farming
- Association of organic processors (VEP): an organisation of producers and processors to stimulate trade in organic products
- Biologica
- Association of health food shops (VWN) to stimulate the retail trade for organic products
- LTO Nederland: an association to promote and protect the interests of all farmers, including organic
- National Movement of Young Farmers (NAJK)
- A number of other organisations are involved in the promotion of organic food e.g. DKA, AKB

15.3.4 Public expenditure (MNLG)

	Year	Forecast						
		90 - 93	94/95	95/96	96/97	97/98	98/99	99/00
Marketing and processing grants	Budget				nd	nd	nd	
	Actual	1.7	1.55	1.55				
	EU%		nd	nd				
	EC Reg.		866/90	866/90				

nd = no data available

	1997	1998	1999	2000
Market development and promotion	1.5	1.5	1.5	1.5
Stimulation of quality in the chain	2.0	2.0	2.0	2.0

Source: Summary of the financial budgets in the Plan van aanpak biologische landbouw (under 2078/92), LNV (1996).

15.4 Regional and Rural Development Schemes

15.4.1 Regional and/or rural development legislation

15.4.1.1 National/regional legislation

Regulation to support the renewal of rural areas (Stimuleringsregeling vernieuwing landelijk gebied)

All provinces in the Netherlands formulate a regional policy on every aspect of society including agriculture. They have a budget for organic farming to stimulate production. In the northern part (3 regions) market development projects have been supported. In the southern part there are some small-scale pilot projects which aim to develop the market for organic products.

15.4.1.2 EU legislation

The Single Programming Document for the Objective 1 area, Flevoland includes the following measures:

- Promotion of new agricultural activities (II.B.3.3) which includes switching to organic farming with demonstration companies and information centres
- Realisation of a Business and Training Centre for sustainable farming (II.B.3.11) which aims to develop a Leading Centre on National and European level for sustainable and ecological farming in order to enable farmers in Flevoland to “engage in sustainable farming, to diversify production and reinforce their income position”.

Flevoland has now developed one of Europe’s leading centres for organic agriculture with the help of Objective 1 funding.

LEADER funding has contributed to the development of the EKO-Boerderijen Route in Drenthe. Organic farmers are developing an “ecological cycling route” which will link their farms in order to develop the direct sale of their products

15.4.2 Organisations active in regional or rural development within the organic sector

Examples include:

- Soune Groun: a regional organisation which aims to protect and develop rural areas with specific emphasis on organic farming.
- Environment federations: these exist in every province to protect the environment through, for example, the promotion of sustainable agriculture, including organic.

15.4.3 Public expenditure

Northern region: Investment of 0.5 MNLG in the last 4 years (0.125 per year from 94-97)

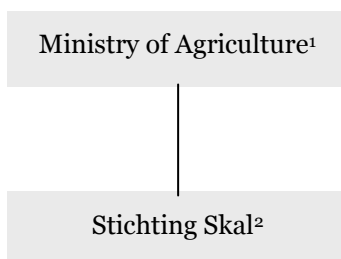
Southern region: Total spending of 25 000 NLG over unknown period.

Region Flevoland received a total spending of 1MNLG over unknown, period.

15.5 Organic production standards, inspection and certification

15.5.1 Actors

Main bodies involved in administration, inspection and certification



¹ Competent Authority responsible for administration of EC Reg. 2092/91

² Inspection and Certification

Stichting Skal is the only institute involved in inspection and certification. This is a private organisation.

Private sector bodies operating their own set of standards

A small part of Dutch organic agricultural products are certified by the Belgian private sector body, Blik. Bio-dynamic agriculture is evaluated by Skal according to Demeter International standards.

Skal also certifies according to its own standards.

15.5.2 National definition for organic farming (not EC Reg. 2092/91)

15.5.2.1 National legislation defining organic farming

Organic livestock and production is regulated by the private Skal standards. These standards are equivalent to the IFOAM Basic Standards.

15.5.2.2 Non legal national definition of organic farming

None

15.5.3 Prosecutions in breach of 2092/91 legislation or any other national legislation

There have been prosecutions but no details are available

15.5.4 Financial support towards inspection and certification costs

No support is given directly to the producer.

15.5.5 Inspection and certification costs (NLG)

Producers (excl. V.A.T)

Annual fee: 450

Variable contribution: according to turnover and product type

Processors (excl. VAT)

Certification costs: 175 (initial application fee)

Administration costs: 75 (initial application fee)

Inspection costs: 400 annual + variable costs per hectare of livestock numbers

15.5.6 Public expenditure for the administration, inspection and certification under 2092/91 or any national definition (MNLG)

	Forecast						
	1992	1995	1996	96/97	97/98	98/99	99/00
Administration	nd	nd	nd	nd	nd	nd	nd
Support of certification bodies ¹	0.528	0.320	0.159	nd	nd	nd	nd

nd = no data available

¹ Financial support from the Ministry has been decreased to Skal.

15.6 Advice and extension

15.6.1 National/regional programmes

The Regulation to demonstrate and raise awareness about environmental and nature friendly production methods in agriculture was implemented in 1989 ("Bijdrageregeling demonstratie- en bewustmakingsprojecten milieu- en natuurvriendelijke landbouwproductiemethoden) and was included in the Dutch programme under EC-Reg. 2078/92 in 1994.

Objectives: To demonstrate and raise awareness about environmental and nature friendly production methods in agriculture, including organic farming, increased energy efficiency, nature and landscape conservation.

Legislative framework: No. J9416725 , published in the NL Staatscourant.

Measures included: Demonstration and Pilot Farm Networks.

15.6.2 General provision of extension

Apart from demonstration farms programme and general information about certification issues that is provided by the producers' organisations and certification body (Skal) and the short courses for farmers (see below) all extension including extension for organic farmers is fully commercial and provided by:

- one governmental organisation (DLV);
- several private consultancy firms;
- several farmer study groups.

All forms of advice are available to farmers willing to pay the full costs, which for one of the organisations is approx. 1 600 NLG per day, (other are likely to have similar charges).

Until 1996 the first day of advice on organic farming was free of charge, but the scheme stopped because the effect on conversion rate was too low.

In two different regions of the province of Gelderland programmes to stimulate interest in organic agricultural were set up by a private consultancy.

15.6.3 Public expenditure (MNLG)

	1993	1994	1995	1996	1997	Forecast	
	1993	1994	1995	1996	1997	1998	1999
Total extension ¹	0.2	0.2	0.2	2	2	3	3

¹ The Dutch Government increased the spending on the demonstration and group extension and has committed itself to spending 4 million on this in the period 1995-1997.

15.6.4 General comments

The Dutch government has commissioned a study to find out whether there are any psychological barriers against organic farming.

15.7 Training and education

15.7.1 National/regional programmes

Bijdragsregeling EG cursussen (Regulation for EU courses training courses for farmers), introduced in 1994. The aim of the scheme is to change the behaviour of farmers to bring about quicker adoption of environmentally friendly measures (2078/92 Synopsis).

Legislation: NO J94 12372, NL Staatscourant (2078/92 Synopsis).

Training in organic agricultural is embedded in the national agricultural training programme for agricultural schools.

15.7.2 General provision of training

- Two colleges offer technical qualifications in organic agriculture.
- MSc courses in ecological agriculture at the Agricultural University in Wageningen. Wageningen University is a member of the curriculum development group.

15.7.3 Public expenditure

No information available

15.7.4 General comments

The possibilities to get education in organic farming have been widened in recent years. The number of specific organic farming certificates has grown, as has the number of modules. However, the interest of students has been limited, so that now the aim of the government is to change students and teachers attitude.

15.8 Research and development

15.8.1 National/regional programmes

None identified

The organic farming document of the ministry mentions private and public research capacity in this area and that research will be stepped up (page4).

15.8.2 General provision of research

- The Department of Ecological Agriculture at the University of Wageningen and other departments are involved in various EU funded programmes.
- The Louis Bolk Institute is a private institute working in the field of bio-dynamic and ecological agriculture and is also involved in several EU projects (e.g. ENOF). It is carrying out several projects in the field of forage production, livestock systems and food quality, some are in co-operation with other public institutions.
- Further research is carried out by LEI, CBS, SWOKA, DLO and PAV.

15.8.3 Public expenditure

No information available.

15.8.4 General comments

The minister wants to increase spending on research for organic agriculture, which should be integrated with research on conventional agriculture. In the PVA it is not indicated what amount of money will be spent on knowledge policy. This money will come from the other regulations within the 'stimuleringskader'.

15.9 Future policy developments

The *Plan van Aanpak* aims to support:

- projects promoting organic products with the aim to develop the market, particularly in conventional marketing channels (supermarkets and catering-companies, markets or vegetable boxes)
- enlargement of knowledge and awareness of organic farming, organic products and recognition of organic products
- innovative projects which stimulate quality in the whole chain from producer to consumer (so that the products have the quality which is demanded by partners in the conventional food chain)
- further spread and increased use of, and business in, organic products.

The issue of implementation of the PVA is complex. The goals which are stated in the PVA are not detailed or clear. There is no time-schedule or implementation scheme. People fit their projects (or the implementation of their plans) into the Plan. This is not too difficult, because the Plan only describes issues at a very broad level. It is not known exactly what has been implemented and what has to be done yet.

15.10 Literature

De Moor et al (1998) Supporting business investments in food processing industries: evaluating EC Regulation 866/90. Institute for Research on Public Expenditure, Research report Nr.86, The Hague

Deblitz, C. and R. Plankl (1997) EU-wide Synopsis of Measures according to Regulation (EEC) 2078/92 in the EU. Federal Agricultural Research Centre, Braunschweig.

Gruber, A. and S. Fersterer (1998) Zwischenbericht: Beratungsstrukturen für die biologische Landwirtschaft in Österreich im Vergleich mit ausgewählten europäischen Ländern. MECCA-Wissenschaftsverein für Umweltschutz.

IKC (1995) Evaluatie van de Notitie Biologische Landbouw. IKC-Landbouw.

LNV (1996): Plan van aanpak biologische landbouw, Dutch Ministry of Agriculture, Nature Management and Fisheries. Published on the Internet, see below.

STAR (1994a) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/3779/94 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Establishes agri-environment programme including scheme for organic crop production and training courses (including organic farming)).

STAR (1994b) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/4843/94 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Demonstration and awareness-raising projects, potentially including organic farming).

STAR (1996a) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/6149/96 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Extends organic farming scheme to include fodder crops).

STAR (1996b) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/7492/96 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Limits fodder crop eligibility to one five year period only).

STAR (1996c) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/3852/96 (unpublished). Comite des Structures Agricoles et du Developpement Rural (STAR), European Commission, Brussels. (Introduces beef extensification scheme (reduced stocking)).

Zimmerman, K. and M. J. G. M.-v. Onna (1996) De concurrentiepositie van de nederlandse biologische Agribusiness (The competitive position of the Dutch biological agrobusiness). Landbouw-Economisch-Instituut (LEI-DLO), Tuinbouw, Medeling 571.

Information from the following Website:

<http://www.minlnv.nl/biologisch/kerntpb.htm>

16 NO – Norway

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16.1 Organic farming support under agri-environment and extensification programmes

16.1.1 Actors

16.1.1.1 Organisations Involved In setting up organic farming support scheme

- Ministry of Agriculture (Landbruksdepartementet)
- The Norwegian Farmers Union (Norges Bondelag)
- The Norwegian Farmers and Smallholders Union (Norsk Bonde- og Småbrukarlag)
- The Norwegian Centre for Organic Agriculture (NORSØK Norsk senter for økologisk landbruk)

16.1.1.2 Organisations Involved In operating organic farming support scheme

- Ministry of Agriculture (Landbruksdepartementet)
- The County Governors Department of Agriculture and Forestry (Fylkesmannens ladbruksavdelinger)
- The Norwegian National Grain Organisation (Statens kornforretning)
- The Norwegian Agricultural Inspection Service (Landbrukstilsynet): control authority for agricultural production
- The Norwegian Food Control Authority (Statens næringsmiddeltilsyn): quality control of refined/processed and/or imported food
- Forum for co-operation between the authorities and the organic movement (Rådgivende utvalg)
- Debio
- The Norwegian Centre for Organic Agriculture (Norsk senter for økologisk landbruk)
- The Organic Extension Rings (Økologiske forsøksringer)

- The Norwegian Organisation for Organic Agriculture (Norsk Økologisk Landbrukslag)
- Producers Organisation for Trading of Organic Products (Produsentlaget for omsetning av økologiske varer)
- Bio-dynamic Society (Biologisk-dynamisk forening)
- All organisations, except The County Governors, are represented in The Forum for Co-operation (Rådgivende utvalg).

16.1.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

16.1.2.1 National/regional legislation which provides/provided organic farming support

Forskrift for omleggingstilskudd til økologisk landbruk, Landbrukdepartementet 12.11.1996. (Provision for support for converting to organic farming).

Forskrift om areal og kulturlandskapstillegg, Landbruksdepartementet, 3.7.1997. (Includes provision for continuing organic farming).

Forskrift om tilskudd til økologisk landbruk 2.12.1997 (Provision on support for organic agriculture, including both converting to organic farming and continuing organic farming).

16.1.2.2 Objectives of any national/regional legislation

- Stimulate farmers to convert to organic farming and thereby contribute to meet the demand of organic products. Conversion support is given as (partly) compensation for increased cost and lower yield in the converting period.
- Support to continuing organic farming is given to maintain organic farming.

The overall aim of Norwegian agricultural policy, as set out in the 1992/3 document *Stortings Proposisjon Nr. 8* (Development of Agriculture), is to develop a more robust agriculture by improving the position of Norwegian agriculture in domestic markets, in particular by improving product quality and encouraging high ethical standards and maintaining and enhancing the environment. Organic farming receives specific mention as a role model providing knowledge and ideas for more traditional agriculture.

16.1.3 Agri-environment schemes (measures) Implemented

Agri-environmental policy aims to promote farming systems which accord with local, natural conditions, with a special emphasis on

- reducing soil erosion and loss of nutrients
- reducing use of fertilisers and pesticides to a minimum (including tax on fertilisers and pesticides)
- reducing pollution from manure storage and silage
- maintaining cultural landscape
- development of environmental network

	Measures	Start year	Regions	Number of farms 1996	Land area (ha) 1996
1	Converting to and continuing organic farming	1990	All	844	7 900
2	Cultural landscape and protected buildings	nd	All	nd	nd
3	Farming on summer farms (usually in the mountains)	nd	All	nd	nd
4	Reduction of erosion in arable areas	1997	All	nd	nd
5	Changing soil management to avoid erosion	1991	All	1 200 each year	110 000
6	Investment support for environmental improvements	1988	All	20 000	nd

Organisations responsible for countryside projects including organic farming, are: Ministry of the Environment (pilot projects); Directorate for Cultural Heritage/ Directorate for Nature Management; Agricultural development fund (Landbrukets utviklingsfond) (see section 16.6).
nd = no data available

16.1.4 Details of organic farming measure(s)

16.1.4.1 Requirements and eligibility conditions

Farmers eligible to participate	Converting <input checked="" type="checkbox"/> Continuing <input checked="" type="checkbox"/>
Organic certification requirement	<input checked="" type="checkbox"/> The Norwegian Agricultural Inspection Service is responsible, control and certification delegated to Debio (2092/91 equivalent standards)
Maximum size/payment limit	<input checked="" type="checkbox"/> Details not supplied. (Initially 60 000 NOK/farm).
Minimum size/payment limit	<input checked="" type="checkbox"/> Details not supplied.
Stocking rate limit	<input checked="" type="checkbox"/> National maximum limits for production of pigs and poultry (conventional as well as organic). Licence required for larger livestock.
Eligible crop restrictions	-
Organic management of livestock	-
Staged conversion possible	<input checked="" type="checkbox"/>
Part farm conversion possible	<input checked="" type="checkbox"/> (This was not possible initially)
Training and/or advice provided	<input checked="" type="checkbox"/> Optional
Other restrictions	<input checked="" type="checkbox"/> Compulsory participation in general agri-environmental scheme; restriction on nutrient inputs. The organic/converting farmer must have a plan for the land use and marketing of the products. Organic management must be maintained for at least 3 years after conversion, including on tenanted land. Conversion support cannot be given more than once for the same area unless it has gone more than 10 years since last payment for conversion and the land has not been farmed organically for 10 years.
Adjustments to original scheme	<input checked="" type="checkbox"/> Initially, it was not possible to convert only a part of the farm. Conversion had to be completed within a period of 10 years after the first payment. Now, part farm conversion permitted, the farmer has to continue organic farming for at least 3 years after conversion. The rule that max 20% of the farm per year eligible for conversion payment applied only in 1995. From 1998, all of the conversion payment is paid in the first year.

= yes, - = no

16.1.4.2 Regional variations

None

16.1.4.3 Payment rates for organic farming scheme (NOK/year)

Year	Region	Land type	Conversion (3 years)	Continuing	Comments
1990-1993	All	Cultivated land including pastures where machinery is used	Year 1: 2 000/ha +5 000/farm Year 2: 1 000/ha + 5 000/farm Year 3: 1 000/ha +5 000/farm <5ha 10 000/farm >5ha	From 1992: 500/ha (for each of three years following conversion)	1991: Max conversion payment/farm: 60 000 NOK
1994	All	As above	As above	750/ha	Conversion <10 years
1995	All	All	6 000/ha split over 2 years 3 yr for perm. grass	As above	Max 20% of land converted each year (1995 only).
1996	All	All	As above	1 100/ha	
1997	All	Food crops Other crops	As above	1 500/ha 1 100/ha	
1998	All	As above	6 000/ha for 1 year	As above	

In 1994, the scheme was split into two - one provision for support for converting, and one for support for continuing organic farming, which came under the main arable support regulation. In 1997, the two schemes were re-merged. There were two main reasons for the changes in payments and conditions:

1. Too few farms converting to organic farming (the demand for organic products is bigger than the production);
2. The support became better adapted to the standards for organic farming (converting part of the farm), and the system became more flexible.

The reason for differentiating the rate for continuing organic farming is mainly to encourage the production of food crops, especially grain.

16.1.4.4 Support other than direct income payments as part of organic farming scheme

Marketing and processing	Support for the development of new products and market for organic production
Certification and inspection	See section 16.5
Advice and information	Support to private agricultural extension groups and to isolated projects
Other	Support to organisations in the organic movement

Organic farming also gets support in other ways than direct to the producer. Some of the support is not given directly under any legislation. Some grants are given with a provision describing the objectives and rules for the type of projects eligible for support, but these provisions do not determine the amount.

16.1.5 Combinations between organic farming and other agri-environment measures

Optional

16.1.5.1 Main requirements and payment levels for combinable or competitive agri-environment measures

	Measures	Main requirements	Typical payments	Relationship to organic
2	Cultural landscape and protected buildings	Management agreements, public access, maintain biodiversity, traditional agricultural practices, protect cultural heritage, restore protected and worthy buildings in agriculture	Annual payments or investment grants, 35-100% of the cost.	Combinable
3	Farming on summer farms (usually in the mountains)	Maintain and re-establish dairy production on summer farms and manage the traditional cultural landscape with grazing animals.	1997/98: 10 000 NOK/farm	nd
4	Reduction of erosion in arable areas	Reduce erosion in exposed areas by change of crop; reduced use of fertiliser	Annual payments per ha and investment aids	Incompatible
5	Changing soil management to avoid erosion	Avoid soil tillage in autumn; planting of vegetation to reduce soil erosion in exposed areas	500-2 000 NOK/ha Rate depends on erosion risk and methods used	Combinable
6	Investment support for environmental improvements	1. Technical investments to avoid pollution and erosion (e.g. manure and silage storage) 2. Environmental planting and biological cleaning of drainage water (screen planting, vegetation zones in arable farming, reedbeds)	1. 30% of costs 2. 70% of costs	Combinable

There is no support for integrated production or other alternative agriculture.
nd = no data available

16.1.6 Public expenditure on organic farming and other agri-environment schemes (MNOK)

Scheme	Year	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1 Organic farming	Budget	nd	nd	nd	nd	nd	nd	nd	8.2	12.1	27
	Actual	0	4.0	6.6	7.9	5.8	5.8	6.6	13.2	20.6	na
2 Cultural landscape	Budget	nd	2.0	4.7	17.6	28.6	45.1	51.9	56.4	69.5	69.5
3 Farming on summer farms	Budget	nd	nd	nd	nd	nd	nd	nd	nd	nd	na
	Actual	nd	nd	nd	nd	nd	nd	17	nd	nd	na
4 Reduction of erosion	Budget	nd	nd	nd	nd	nd	nd	nd	5	5	6
5 Soil management	Budget	nd	nd	39.8	69	93.3	106.2	81.6	93	87.9	nd
6 Investment support	Budget	88.8	97.7	122.1	124	110.5	102.2	80.3	74.8	100.3	nd
	Total	88.8	103.7	173.2	218.5	238.2	259.3	237.4	237.4	269.8	nd

na = not applicable, nd = no data available

16.1.7 General comments

The Royal Ministry of Agriculture has made a "Plan of Action for further development of organic farming" (*Handlingsplan for videre utvikling av økologisk landbruk, Landbruksdepartementet, 1995*). Here the status of organic agriculture in Norway is described, and strategies for further development are lined up. A brief discussion of important aspects that have an influence on organic farming is given. In section 3.4 the public support (1987-95) is described.

The objectives of the plan are:

- Increase the percentage of organically produced foods sold under certified labels to 85% by 1998
- satisfy consumer demands for organic produces
- achieve as high a price for organic produce as consumers are willing to pay.

Organic farming expected to play a role in connection with securing employment in the agricultural sector as well as having an influence on the development of rural areas. The plan is summarised in more detail in section 16.9.

16.2 Impact of mainstream agricultural support measures on organic farming

16.2.1 Actors

16.2.1.1 Organisations Involved In adapting mainstream measure for organic farming

The mainstream measures are not much influenced by organic farming organisations, but organic farming puts pressure on conventional farming to become more environmentally friendly and to reduce the use of pesticides and herbicides. None of the organic organisations have a special influence on mainstream measures.

- The Ministry of Agriculture
- The Norwegian Farmers Union
- The Norwegian Smallholders and Farmers Union
- Forum for co-operation between the authorities and the organic organisations (Rådgivende Utvalg)

Every year, the authorities and the farmers unions negotiate and determine the grants for different schemes. Some schemes are relatively stable, but some are changed. Sometimes the support is given to quite other purposes than earlier years. The situation changes from time to time and it can be difficult to get an overview of all the possible sources for support. These negotiations are very important for agricultural policy in Norway, and have a big influence on organic farming too.

16.2.1.2 Organisations Involved In operating adaptations to mainstream measures for organic farming

- Ministry of Agriculture (Landbruksdepartementet)
- The County Governors (Fylkesmannens landbruksavdelinger)
- The Norwegian National Grain Administration (Statens kornforretning)
- The Norwegian Agricultural Inspection Service (Landbrukstilsynet)
- Rådgivende utvalg (Forum for co-operation between the authorities and the organic movement)
- Debio
- The Norwegian Centre for Ecological Agriculture (Norsk senter for økologisk landbruk)
- Producers Organisation for Trading of Organic Products (Produsentlaget for omsetning av økologiske varer)

- Biodynamic Society (Biologisk-dynamisk forening)
- The Organic Extension Rings (Økologiske forsøksringer)
- Norwegian Organic Herb Organisation (Norsk Økologisk Urteleg)

16.2.2 National/regional legislation

16.2.2.1 National/regional legislation which provides/provided mainstream farming support

Specific legislation not identified.

16.2.2.2 Objectives of any national/regional legislation

The main objectives of agricultural policy are:

- to promote basic level of production
- self-sufficiency in staple products
- possibility for development in income and social conditions which is compatible to other groups in society.
- stimulate economic activity and settlement in economically weak areas, based on regionalisation of production through relatively high cereal and livestock feed prices, and supply control measures limiting growth in farm size
- promote environmental quality

Since 1993:

- more emphasis on economically and ecologically sustainable agriculture
- cost efficiency by allowing larger cereal farmers, and price reductions
- promotion of new farm-related activities, especially among women
- strong reduction of price and support
- cheaper food achieved by reduced costs and reduced livestock feed (concentrate) price

16.2.3 Mainstream measures implemented

The main instruments are now similar to the EU, although support is at a higher level (the average producer subsidy equivalent was 71% in 1996, compared with 43% in EU).

Price support through the use of import quotas and tariffs, although there has been a shift away from production support with tariff reductions and more acreage support for arable crops and headage

payments for livestock, but still there is a combination of these. Since 1982, producer groups are responsible for marketing and supply management, as well as bearing cost of over-production, since 1982.

The main crop support measure is the 'General Areas and Cultural Landscape Payments' (Areal og kulturlandskaps-tillegg) which covers arable land, sown grassland, and pastures. In general, the requirements are very general and easy to meet; payments are differentiated according to crop and geographic zone, and modulated, ranging from 0 to 5 820 NOK/ha for fodder crops and 1 620 –3 500 NOK/ha for food crops in 1997.

There has been a marked increase in cultivated land reported, with some unfertilised pastures being brought into production to qualify for payments.

Milk and beef/sheep meat production are supported by headage payments and quotas. There is general price support for milk, beef and sheep meat, and regionally adjusted price support for milk, meat and fruit. Transport support is also given. Support rates are modulated, including a maximum limit per livestock farm (but not cropping farms).

Milk quotas have existed since 1983, based on traditional output and, since 1988, on manure spreading ground available. A buy out scheme to reduce quota operated in 1992, 1993 (and subsequently). In 1997, the buying and selling of milk quotas became possible.

Concession (licence) requirements for pork, poultry and eggs for production larger than 70 sows, 5 000 hens or 80 000 chickens for slaughter, 1 400 pigs for slaughter and 20 000 turkey per farm per year) are aimed at preventing large scale production.

16.2.4 Set-aside management requirements and implications for organic farming

There is no set-aside regulation in Norway.

16.2.5 Impacts of other measures on organic farming

In general, the switch from production-subsidy to area-subsidy should be an advantage to organic farming. (Kolstad, 1992). The other mainstream measures probably do not have any significant impact on organic producers. But, some of the schemes are part of the policy to maintain the geographical separation of different types of production, such as livestock production and grain/vegetable production. This was done mainly between 1960 and 1980, and is still stimulated by different means. This leads to a lack of manure in some grain/vegetable districts, and lack of knowledge and equipment for grain/vegetable-production in many livestock-districts. This is a big problem, especially for grain and vegetable producers, since many of them do not have neighbours with livestock production from where they can import manure.

Support is paid per animal in livestock production. Organic farmers thereby lose support since they cannot feed so many animals. The reduced price of concentrates for livestock feed makes it more difficult for livestock farms to produce meat and milk on locally produced roughage and at the same costs.

16.2.6 Special provisions for organic/converting producers

Eligibility for milk quota from national reserve: in some areas (with no or very little animal husbandry), converting and continuing organic farms can increase their milk quota, or get new milk quota. 4 M litres were at disposal for organic farms in 1997, but only 2.5 M litres were distributed. Getting animal husbandry back to districts without livestock production and increasing cereal production in areas with livestock production, is probably a slow process. Most people involved in organic farming look upon this as an important task.

16.2.7 Environmental cross-compliance measures and implications for organic producers

Commitment to maintain landscape as part of arable area and cultural landscape programme.

Provision on organic manure: from 1/1/1998 all farms (conventional as well as organic) must have a plan for the use of organic manure on the farm. The objectives are to reduce pollution and to ensure that the manure is used properly as a resource.

16.2.8 Impact of expenditure capping mechanisms

Not linked to regional base areas/numbers in Norway, but expenditure capping mechanisms have and have had influence on organic farming as

well as all conventional farming. One effect is that many smallholders are forced to give up farming. The increasing effectiveness makes it difficult to practise an all round farming. Farming is getting more intensive, and it is getting more difficult to use the natural resources in an ecological way. This mechanism is perhaps the most powerful developmental forces.

16.2.9 Impact of national or regional aids on organic farming

None identified.

16.3 Marketing and processing schemes

16.3.1 National/regional legislation which provides/provided support for market and processing

There is no national or regional legislation under which the organic sector has received funding for marketing and processing development, however, grant programmes exist through which organic operators can receive funding. Some grants are given as a result of negotiations between the authorities and farmers' unions, some are awarded directly from the national budget and some support is given more indirectly. An example of the last type is the Rural Development Fund (*Bygdeutviklings-midler*). Grants are awarded from this fund partly via The Agricultural State Bank and partly via The County Governors, and are not exclusively for organic farming, but organic farming is mentioned as one of the priority areas in the objectives.

The main grant for market development projects, administered by the Agricultural Marketing Board, is the "Development of New Products and Markets – including efforts to develop the market for organic products" (*Regler for tilskudd av midler fra jordbruksavtalens paragraf 6, pkt 1, til utvikling av nye produkter og markeder for jordbruksvarer-herunder omsetningsfremmende tiltak for økologiske produkter*) which has been available since 1991.

To receive support under the Development of New Products and Markets grant the following conditions apply:

- Initiatives should result in new markets for both new and well known products;
- Development of new products;
- Initiatives should increase the market and information;
- Results have to be published;
- No support is available for equipment, running expenses or research.

In addition, there are several projects/initiatives where market and regional development forms part of the objectives, paid from the

Tilskudd til veilednings- og informasjonsprosjekter innen økologisk landbruk (Grant for extension and information projects in organic agriculture) (see section 16.6 for further details).

16.3.2 Organisations/projects which have received funding

The following two organisations receive support from The Ministry of Agriculture:

- Producers' Organisation for Trading of Organic Products (Produsentlaget for omsetning av økologiske varer);
- The Norwegian Organisation for Organic Agriculture (Norsk Økologisk Landbrukslag)

The “Development of New Products and Markets” grant has supported over 70 projects between 1991 and 1996. Many organic projects have received support through the extension and information grant and some other grants. The projects are mostly regional (see next section).

ØkoProNord: The main work is to encourage different actors to increase the sale of organic products. They try to get an overview of the products that the farmers have for sale, and then get the groceries to buy and sell. Information and co-ordination are important activities. Several similar projects exist elsewhere in Norway.

16.3.3 Organisations active in market development within the organic sector

- Producers' Organisation for Trading of Organic Products deals with increasing the market for organic products
- The Norwegian Organisation for Organic Agriculture is an organisation for farmers and consumers interested in organic farming. Works mainly with policy issues, information/discussion and marketing.
- Norsk Økologisk Urtelag (Norwegian Organic Herb Organisation)
- Andelslaget Norsk Øko Urt (The Co-operative Norwegian Organic Herb Association) is involved with the marketing of organic herbs.
- Landbrukets samvirkeorganisasjoner (Agricultural Cooperative Organisation)
- Norges Kooperative Landsforbund (Norwegian Consumers Cooperative) is a chain of shops and supermarkets which is the largest mainstream retail outlet for organic products.

16.3.4 Public expenditure (MNOK)

Project	Year	Forecast						
		1993	1994	1995	1996	1997	1998	1999
Agricultural Marketing Board grant ¹	Budget:	nd	nd	nd	nd	nd	nd	nd
	Actual:	2	2	2	2	2	na	na

na = not applicable, nd = no data available

¹ Close to 100% of this grant ("Development of new products and markets") currently goes to organic projects.

16.4 Regional and Rural Development Schemes

16.4.1 National/regional legislation

The Rural Development Fund is an important grant for rural development, and has in recent years become more and more important for organic agriculture initiatives.

16.4.2 Organisations/projects which have received funding from regional/rural development schemes

The project to develop the production and marketing of organic milk in the county of Møre og Romsdal is an example of a regional development initiative taken by one of the county governors. This project deals with all aspect: advise to farmers, help to converting farmers, marketing and economy. The project involves several actors (The County Governor of Møre and Romsdal, Norsk senter for økologisk landbruk, Midt-Norsk økoring (advisory group), Sunnmøre Meieri (dairy)), and the project receives support from different sources. Similar initiatives from The County Governors all over the country are becoming increasingly common, partly as a result of grants from central authorities.

Several regional research experiments on organic production of grain start in 1998. The aim is to increase organic grain production and to get information on production level in different regions. These field experiments are also going to be used for demonstration.

- The Producers Organisation for Trading of Organic Products – local groups.
- The Norwegian Organisation for Organic Agriculture – local groups
- Several organic extensions rings.
- Norwegian Organic Herb Organisation
- NORSØK
- Bio-dynamic Society

16.4.3 Organisations active in regional or rural development within the organic sector

(See also above list)

- The County Governors Department of Agriculture and Forestry
- The Norwegian Crop Research Institute

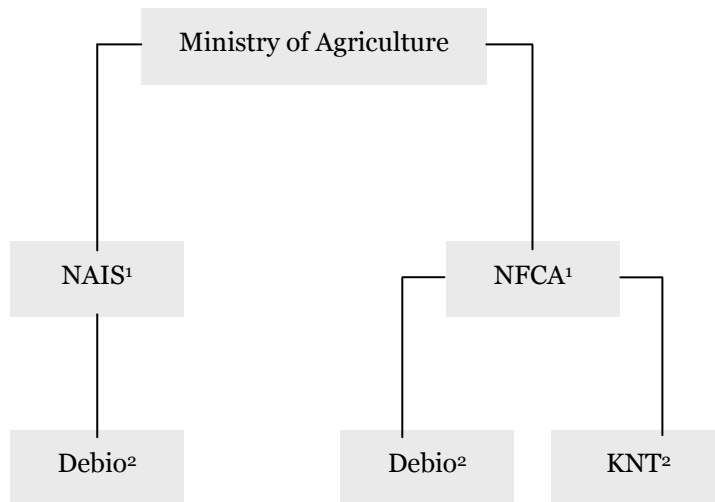
16.4.4 Public expenditure

Fund for Rural Development (Bygdeutviklingsmidler) - The total amount of this fund is determined in the yearly negotiations between the Authority and the farmers unions. A central committee is responsible for distribution of one part, while another part is distributed by the County Governors. In the instructions for the regional part, organic farming is mentioned as a priority area. Projects dealing with environmental subjects in agriculture are also given priority. Support is given to projects, investments and loans.

16.5 Organic production standards, inspection and certification

16.5.1 Actors

16.5.1.1 Main bodies involved in administration, inspection and certification



¹ Competent Authorities responsible for administration of EC Reg. 2092/91

² Inspection and certification

The Norwegian Agricultural Inspection Service (*Statens landbrukstilsyn*) is responsible for the control of agricultural production and the Norwegian Food Control Authority (*Statens næringsmiddeltilsyn*) is responsible for processing, import, trade and packaging in conjunction with local food control authorities (KNT). Both are government bodies appointed by the Ministry of Agriculture. The private sector body Debio is the only organisation authorised to carry out inspection and certification. The government bodies were in operation before the implementation of 2092/91 as inspection services and control authorities for agriculture and processing/ imports, but they did not have anything to do with standards for organic production or inspection/certification of organic production as such.

16.5.1.2 Private sector bodies operating their own set of standards

Debio standards are in accordance with IFOAM Basic Standards and International Demeter standards. Debio operates standards for Demeter

certification although the Demeter label is owned by the Norwegian Demeter-forvaltningen.

16.5.2 National definition for organic farming (not EC Reg. 2092/91)

16.5.2.1 National legislation defining organic farming

Although Norway is not a member of 2092/91 has been implemented through Norway's membership of EEA (an economic agreement between EFTA and the EU), and the already existing national standards (Debio standards) were adjusted to conform with the EC Regulation. In 1996, the national Regulation on Production and Labelling of Organic Agricultural Production implemented EC Reg. 2092/91. The Regulation is what is known as a 'reference regulation'. It's main objective is to implement 2092/91 in Norwegian legislation. Since there is no EC Regulation on organic animal husbandry, the Debio standards on plant production and animal husbandry (chapters 3 and 4) were established as a supplement to the national Regulation.

16.5.2.2 Non legal national definition of organic farming

From 1986-1995, the Debio standards provided a nationally recognised definition for organic agricultural production.

The Debio standards are still in effect after the implementation of EC Reg. 2092/91, but the Ministry of Agriculture has established the Debio standards for plant production and animal husbandry as a supplement to the national Regulation on Production and Labelling of Organic Agricultural Production.

16.5.3 Prosecutions in breach of 2092/91 legislation or any other national legislation

There have been no prosecutions.

16.5.4 Financial support towards inspection and certification costs

None

16.5.5 Average inspection and certification costs (NOK)

Average costs to producers: 1 100 (ranging from 30 to 4 600)

Typical average costs to processor/importer/retailer: 2 300 (ranging from 1 000 to 6 200)

16.5.6 Public expenditure for the administration, inspection and certification under 2092/91 or any national definition (MNOK)

		Forecast						
	Year	1993	1994	1995	1996	1997	1998	1999
Administra- tion	Budget	0.15	0.15	0.705	1.32	1.32	0.98	0.99
	Actual	0.15	0.15	0.705	1.32	1.32	na	na
Support of certification bodies ¹	Budget	1.7	1.85	1.9	2.792	4.4	5.702	7.41
	Actual	1.75	1.85	2.246	4.46	4.4	na	na
Total	Budget	1.85	2	2.605	4.112	5.72	6.682	8.4
	Actual	1.9	2	2.951	5.78	5.72	na	na

na = not applicable

¹ In 95/96 and 96/97 a higher increase than expected in number of producers increased expenditure to certification bodies.

16.5.7 General comments

The Norwegian Food Control Authority (NFCA) is the control authority for processing, imports, packaging and trade. The KNT is in theory an inspection body, but in practice Debio carries out inspections on its behalf, regularly sending copies of reports and certificates to the local authorities. This is because Debio's control system was well established prior to the authority's obligation to establish a control system as a result of the Norwegian implementation of 2092/91. Concerning certification of agricultural production (non-processed and non-imported), there is an official agreement between the control authority, the Norwegian Agricultural Inspection Service (NAIS), and Debio. Until now there has been no similar agreement between NFCA and Debio, and NFCA/KNT has tacitly accepted the practice. But a formal agreement is now under discussion, so that it is likely that Debio will be officially accepted as a control body also for processing, imports, packaging and trade.

16.6 Advice and extension

16.6.1 National/regional programmes

None before 31/12/97.

Farmers interested in converting to organic agriculture have been offered free advisory visits in certain regions since 1/1/98, full national coverage intended after 1/4/98, depending on approval of the budgets (For further details see section 16.9). "Gratis førsteråd for omlegging til økologisk drift" is currently offered by 26 extension rings.

16.6.2 General provision of extension

- Extension support is mainly provided through regional extension rings (forsøksringer), funded by public expenditure as well as membership fees of the producers. The same system applies for organic farming, with currently 16 specialist rings; a further 7 conventional rings employ at least one person specialising in organic farming; advice is free to the members. There is a national umbrella organisation for all extension rings, including organic (Landbrukets forsøksringer). The programme "Advice and information-projects for organic farming" has stimulated further activities in the extension rings.
- The Farmers Co-operation Organisations supply information to organic farmers on a limited basis.
- NORSØK gives some information and supports the organic farming advisors with technical and methodological information.
- The "30-farm" project, run by NORSØK (1989-1987), has acted as a demonstration farm network and continuous currently with 14 farms. Some other institutional and large bio-dynamic farms are also used as demonstration farms.

16.6.3 Public expenditure (MNOK)

	1993	1994	1995	1996	1997	Forecast	
	1993	1994	1995	1996	1997	1998	1999
Extension rings	2.5	2.3	2.3	2.3	2.3	nd	nd
Advice and information project	2.8	2.5	2.2	5.2	5.7	nd	nd
Total extension	5.3	4.8	4.5	7.5	8.0	nd	nd

Source: The Ministry of Agriculture (1998) Action Plan.

nd = no data available

Spending before 1993 was a total of 13 MNOK over 4 years (1989 1.8; 1990 2.2; 1991 4.4; 1992 4.6).

16.7 Training and education

16.7.1 National/regional programmes

None

16.7.2 General provision of training

- One agricultural college (Sogn Jord- og Hagebruksskole) is fully organic and teaches 1 or 2 year courses in organic farming and gardening (technical level).
- Another school (Høgskolen i Hedmark) starts a three year course in organic agriculture in 1998 that will qualify the students for different types of work within organic farming (e.g. advisory groups etc.). The course can be used as credits in a BSc. scheme.
- The Agricultural University (Ås) is teaching some courses in organic agriculture as part of agricultural degrees. It has currently one associated professor and is in the process of appointing a professor of agro-ecology.
- The Norwegian Bio-Dynamic society offers an annual course in bio-dynamic agriculture for five weekends over winter.
- One private school (run by the Quakers) teaches organic agriculture,
- Other agricultural schools and some private schools (e.g. Fosen Folgehøgskole) teach courses in organic agriculture or issues of sustainable land use and self-sufficiency for young students.
- Producers' organisations, extension rings, Sogn Agricultural College and NORSØK offer short courses for farmers, advisors and teachers.

16.7.3 Public expenditure (MNOK)

	1993	1994	1995	1996	1997	Forecast	
						1998	99/00
Annual budget of Sogn Jord og Hagebruksskole	5.7	5.7	5.7	5.4	5.7	nd	nd

nd = no data available

16.8 Research and development

16.8.1 National/regional programmes

In 1992 a research programme on organic agriculture was implemented. The programme lasted until 1996, and was funded by The Research Council of Norway.

The Norwegian Agriculture University (NLH Ås) had in 1989-1993 a programme in organic agriculture. Main objectives were: to contribute to establish research in organic farming in the institute; develop interdisciplinary co-operation and improve the competence in organic agriculture.

NORSØK's programme for development of ecological agriculture was first implemented in 1997.

The main objectives are to disseminate and develop further knowledge concerning central problems within organic farming and to contribute to an increase in the production and selection of organic products.

In 1998, NORSØK starts a new programme called "Alternative methods in plant and animal health care in organic agriculture" (1998-2002). The main objectives are to contribute to the development and implementation of preventive measures with respect to plant and animal health.

The Norwegian Crop Research Institute has started the programme: "Plant nutrition in organic agriculture with small amounts of animal manure" (1998-2002). Main objectives: Methods and competence to control the supply of NPK from the soil and organic manure in order to achieve optimal plant growth without reducing the amount of nutrients in the soil.

16.8.2 General provision of research

- The Norwegian Centre for Ecological agriculture (NORSØK) was established as a private foundation in 1986. It aims to promote organic agriculture in Norway by conducting basic and applied research in several areas, running an organic farm and development of appropriate machinery in a mechanical department and carries out various projects. Until 1998, NORSØK has been funded by grants directly from the Ministry of Agriculture. From 1998 onwards NORSØK will receive yearly grants from The Research Council of Norway.
- The Norwegian Crop Research Institute (Planteforsk) and the Norwegian Agriculture University (NLH) are doing research on organic farming. Research is also carried out at some agricultural schools and by the advisory groups.

- Norwegian Crop Research Institute and the Norwegian Agriculture University are doing research in organic farming. Some research is also carried out at some agricultural schools and by the advisory groups.

The Research Council of Norway (Norges forskningsråd) awards the main grants for organic research through yearly negotiations between the Authorities and the Farmers Unions.

16.8.3 Public expenditure (MNOK)

	Forecast						
	1993	1994	1995	1996	1997	1998	99/00
Total research	7.3	7.9	7.7	7.7	8.1	nd	nd

nd = no data available

A total of 23.3 MNOK of public funding was invested before 1993.

16.9 Future policy developments

The Royal Ministry of Agriculture has made a “Plan of Action for further development of organic farming” (Handlingsplan for videre utvikling av økologisk landbruk, Landbruksdepartementet, 1995).

A revised plan is due to be produced in March/April 1998.

The main objectives of the 1995 plan are to:

- increase the percentage of organically produced foods sold under certified labels to 85% by 1998;
- satisfy consumer demands for organic produces;
- achieve as high a price for organic produce as consumers are willing to pay.

Organic farming is expected to play a role in connection with securing employment in the agricultural sector as well as having an influence on the development of rural areas.

The main areas for work are:

Production and development of products

- Geographic concentration of production (establish a working group to evaluate possible initiatives)
- Prepare for more mixed farming (milk quota to districts without livestock production)
- Support to organic farming (evaluate the support)
- Support to investment and small-scale processing attached to farms (e.g. priority for organic farming in grants)
- Evaluation of the rules for production and processing
- More use of planning-implements and quality systems

- More use of relevant developmental programs/network

Market development

- Strengthening of marketing processes by establishment of product chains – e.g. dairy products.
- Exploiting environmentally friendly and residue free production in the marketing process.
- Development of a sales advice programme
- Establish a system that brings together supply and demand
- Regulation of the international trade of agricultural products

Education, research and extension.

- Priority in research and development (especially to strengthen the effort to increase the production of organic produced concentrates)
- Co-ordination of research- developmental- and experimental work
- Strengthen the international co-operation
- Increase the know-how and improve the attitude to organic farming in the local agriculture offices
- High quality of education
- Strengthen extension (e.g. provision for support to extension and information projects)
- Better information to the producers

Specific projects:

Extension

A new programme in extension is based on an initiative by the organisation of the extension rings “Gratis råd om omlegging til økologisk drift” (Free advice for conversion to organic management). The programme intends that farmers can receive free advice about the implication of conversion without any further commitment.

Trial phase with seven extension rings, covering 10 regions started on 1/1/98; full national coverage is to be implemented in April 1998, if the funding is approved. It is intended that during 1998 approx. 1 000 interested conventional farms can be visited (as compared to approx. 1 350 farms certified farms in 1997).

Training

Høgskolen i Hedmark will start a three year course in organic agriculture in 1998, which is intended to qualify the students for different types of work within organic farming (e.g. advisory groups etc.). The course can be credited towards a BSc.

16.10 Literature

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17 PT – Portugal

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17.1 Organic farming support under agri-environment and extensification programmes

17.1.1 Actors

17.1.1.1 Organisations Involved In setting up 2078/92 or other organic farming support scheme

- Ministry of Agriculture Institutes
 - Institute of the Ministry of Agriculture in charge of the agricultural market policy (IMAIAA) and Institute of the Ministry of Agriculture in charge of the agricultural structural policy (IEADR) until December 1996.
 - General Directorate of Rural Development - Ministry of Agriculture (DGDR) in charge of the co-ordination of the agri-environmental schemes, including organic farming, since January 1997
- Agrobio

17.1.1.2 Organisations Involved In operating 2078/92 or other organic farming support scheme

- IMAIAA/IEADR/DGDR,
- Regional Directorates of Agriculture,
- Agrobio, ARABBI, SALVIA, DATERRA, and SOCERT

17.1.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Not applicable

17.1.3 Agri-environment schemes (measures) Implemented

In general terms the measures fall into four categories:

1. Reduction of negative environmental impacts of agricultural productions (45% of anticipated budget)
- measures 1-3
2. Extensification/maintenance of traditional farming systems (32% of anticipated budget)
- measures 4-17
3. Conservation of natural resources and rural landscape (22% of anticipated budget)
- measures 18-21
4. Training measures and demonstration projects (1% of budget)

	Measures	Start year	Regions	Number of farms at 15/10/97	Land area (ha) at 15/10/97
1	Organic farming	1994	All	226	10 265
2	Recommended pesticides	1994	All	599	4 450
3	Integrated crop protection Integrated crop production	1994	All	1 274 19	9 699 198
4	Traditional multi-crop systems	1994	Parts of North., Centre	35 330	115 980
5	Dryland extensive cereal production systems	1994	Parts of North, Centre, Alentejo, Algarve	6 093	87 363
6	Grass production in wetlands	1994	Parts of North, Centre	6 676	24 708
7	Extensive forage systems	1994	All except Oeste, Grande Lisboa, Pensinsula de Setubal, Medio Tejo	8 084	105 601
8	Traditional olive production	1994	North, Centre, Alentejo	25 674	78 282
9	Fig trees of Torres Nova	1994	Medio Tejo, Leziria do Tejo	234	552
10	Terraced vineyards	1994	Demarcated wine region of Douro	4 480	8 883
11	Orchards of regional varieties	1994	All	2 313	2 027
12	Traditional dryland orchards	1994	Algarve	3 628	13 722

Portugal (PT)

Agri-environment schemes (measures) implemented (cont.)

	Measures	Start year	Regions	Number of farms at 15/10/97	Land area (ha) at 15/10/97
13	Traditional dryland almonds	1994	Douro, Beira Interior Norte	4 820	13 457
14	Holm-Oak pasture lands	1994	Parts of Centre, Alentejo	1 166	62 585
15	Conversion of arable to extensive pasture	1994	All except Oeste, Grande Lisboa, Medio Tejo	nd	nd
16	Endangered livestock species	1994	All	12 484	51 555 LU
17	Extensification of livestock production	1994	Cavado, Grande Porto, Baixo Vouga, Baixo Mondego	nd	nd
18	Maintenance of abandoned forests	1994	Parts of North, Centre, Lisboa, Vale do Tejo	754	9 920
19	Maintenance of abandoned farm woodlands	1994	Parts of North, Centre	18 137	45 597
20	Other woodland schemes	1994	All	836	3 071
21	Maintenance of traditional agricultural systems	1994	Defined environmentally sensitive areas	97	22 111
22	Professional training and demonstration projects	1994	All	151	66
Totals				133 075	618 537

Sources: Deblitz and Plankl (1997). Uptake data: 2078/92 statistical reporting by Member State to European Commission, and STAR (1998)

nd= no data available

17.1.4 Details of organic farming scheme

17.1.4.1 Requirements and eligibility conditions

Farmers eligible to participate	Converting <input checked="" type="checkbox"/> Continuing <input checked="" type="checkbox"/>
Organic certification requirement	<input checked="" type="checkbox"/> 2092/91 approved body (SOCERT)
Maximum size/payment limit	<input checked="" type="checkbox"/> Variable - see modulated payment rates below. Changed in 1998.
Minimum size/payment limit	<input checked="" type="checkbox"/> 1.0 ha orchards, vineyards, olives; 0.5 ha open field annual crops; 0.1 ha protected cropping
Stocking rate limit	-
Eligible crop restrictions	<input checked="" type="checkbox"/> Grassland excluded; protected cropping excluded from 1998.
Organic management of livestock	-
Staged conversion possible	<input checked="" type="checkbox"/>
Part farm conversion possible	<input checked="" type="checkbox"/>
Training and/or advice provided	<input checked="" type="checkbox"/> Training compulsory within 6 months unless organic for > 1 year
Other restrictions	-
Adjustments to original scheme	<input checked="" type="checkbox"/> From 1998, higher rate conversion payments apply for longer where > 70% of production marketed as organic, and modulation changed to remove maximum area limits.

= yes, - = no

17.1.4.2 Regional variations

None

17.1.4.3 Payment rates for organic farming scheme

Year	Land use/ type	Conversion (2-3 years)	Continuing	Min. ha	Modulation		
					100%	75%	50%
1995-1997	Non-irrigated annual crops	217.3 (180)	181.1 (150)	0.5	< 25 ha	25-75 ha	75-150 ha
	Irrigated annual crops	362.3 (300)	301.9 (250)	0.5	< 25 ha	25-75 ha	75-150 ha
	Protected crops	362.3 (300)	301.9 (250)	0.1	< 25 ha	25-75 ha	75-150 ha
	Olives	217.3 (180)	181.1 (150)	1	< 25 ha	25-75 ha	75-150 ha
	Vineyards	579.6 (480)	483.0 (400)	1	Not modulated		
	Non-irrigated orchards	434.8 (360)	362.3 (300)	1	< 15 ha	15-40 ha	40-80 ha
	Irrigated orchards	724.6 (600)	603.8 (500)	1	< 10 ha	10-25 ha	25-50 ha
1998	As above, except protected cropping not included	As above, except period extended if farmer processes or sells at least 70 % of production as organic	As above	As above	Payment % changed to 100%, above 80% and 60% respectively on annual crops, olives <25 ha, 25-150 ha, >150 ha; orchards, vineyards <15 ha, 15-80 ha, >80 ha; and irrigated orchards: <10 ha, 10-50 ha, >50 ha.		

¹ Figures in brackets represent old ECU(A) values before the 20.75% adjustment in 1996. The old values should not be converted using current green rates. The impact of the change on PTE values is negligible.

² Conversion payments apply to first two years of conversion for annual crops and three years for perennial crops – rates represent a 20% increase on rates for continuing organic production. 1998 adjustments published in Portaria. N° 85/98 of 19.02.98.

17.1.4.4 Support other than direct income payments as part of organic farming scheme

Advice and information	General support for agri-environment extension (including demonstration/pilot schemes)
Training and education	Training schemes supported under agri-environment programme include organic farming. Attendance at specific training for organic farming is a pre-requisite (see above).

17.1.5 Combination between organic farming and other agri-environment measures

Not possible

17.1.5.1 Main requirements and payment levels for other agri-environment measures

	Measures	Main requirements	Typical payments ¹ (old ECU(A)/ha)	Relationship to organic
2	Recommended pesticides scheme	Defined pesticides for orchards, vineyards and olives	10-30 modulated	Not combinable
3a	Integrated crop protection	Fruit trees, vineyards and greenhouses. Modulated as organic irrigated orchards.	Fruit trees 400 Vineyards 300 Greenhouses 250	Competitive
3b	Integrated crop production	Fruit trees, vineyards and greenhouses. Modulated as organic irrigated orchards.	Fruit trees 475 Vineyards 375 Greenhouses 250	Competitive
4	Maintenance of traditional extensive multi-crop systems	Cropping, manure and stocking rate limits, maintain irrigation	60-120 modulated	Not combinable
5	Dryland extensive cereal production systems	Rotational and husbandry constraints, inputs not restricted	35-60	Not combinable
6	Grass production in wetlands	Stocking rate limits, traditional irrigation systems, tree borders	35-50 modulated 75 if many trees	Not combinable
7	Extensive forage systems	Stocking rate and grassland cutting restrictions	25-80 modulated	Not combinable
8	Traditional olive production	Old trees, maintain grassland without pesticides, premium for stone walls	25-80 modulated	Not combinable
9	Fig trees of Torres Nova	No herbicides, pesticides	50-70 modulated	Not combinable
10	Terraced vineyards	Maintain terraces	200, max 5 ha	Not combinable
11	Orchards of regional varieties	Maintain trees	200, max 5 ha	Not combinable
12	Traditional dryland orchards	Maintain trees, cultivate soil	50-75 modulated	Not combinable
13	Traditional dryland almonds	Maintain trees, cultivate soil	50-75 modulated	Not combinable
14	Holm-Oak pasture lands	Stocking limits where grazed, pruning	20-80 modulated	Not combinable

Main requirements and payment levels for other agri-environment measures (cont.)

	Measures	Main requirements	Typical payments ¹ (old ECU(A)/ha)	Relationship to organic
15	Conversion of arable to extensive pasture	Herbicides prohibited, other pesticides restricted	25-80 modulated	Not combinable
16	Endangered livestock species	Maintain pedigree flocks/herds	75-100/LU modulated	Not combinable
17	Extensification of livestock production	Dairy cows, reduce stocking from > 3 to < 2 LU, manure handling/spreading	150-180/LU modulated	Not combinable
18	Maintenance of abandoned forests	Tree management prescriptions	122-138 modulated	Not combinable
19	Maintenance of abandoned farm woodlands	Tree management prescriptions	107	Not combinable
20	Other woodland schemes	Specific plans/management of arable crops	70-120	Not combinable
21	Maintenance of traditional agricultural systems in environmentally sensitive zones	For farmers participating in measures 4-17	25% premium on top of other measures	Not combinable

¹ Payments shown are old ECU(A) rates applicable until 1996. These values need to be increased by 20.75% to give the current ECU(A) values (see 17.1.4.3). PTE rates are set annually according to green ECU rate on 1st January. From 1998, payment rates on most schemes have been modified and the modulation basis altered (see 17.1.4.3).

17.1.6 Public expenditure and EU contribution for organic farming and other agri-environment schemes (MPTE)

Measures			1994	1995	1996	1997 ¹	1998	1999
1	Organic farming	Budget	122.9	204.8	327.6	614.3	484.7	651.9
		Actual	0	40.9	256.3	233.9	na	na
2	Recom. pesticides scheme	Budget	nd	nd	nd	nd	92.2	141.9
		Actual	0	0	25.5	17.6	na	na
3a	Integrated crop protection	Budget	nd	nd	nd	nd	881.8	960.3
		Actual	0	0	183.6	764.1	na	na
3b	Integrated crop production	Budget	nd	nd	nd	nd	29.7	34.1
		Actual	0	0	6.0	23.2	na	na
4	Traditional multi-crop systems	Budget	nd	nd	nd	nd	6 084.6	7 910.2
		Actual	496.2	3 161.6	2 284.6	3 346.2	nd	nd
5	Dryland cereal production systems	Budget	nd	nd	nd	nd	2 944.1	4 662.7
		Actual	89.0	444.4	359.7	366.2	na	na
6	Grass production in wetlands	Budget	nd	nd	nd	nd	462.8	527.5
		Actual	0	392.3	294.9	365.9	na	na
7	Extensive forage systems	Budget	nd	nd	nd	nd	2 113.9	2 823.4
		Actual	430.1	1 003.0	989.0	1 049.6	na	na
8	Traditional oliviculture	Budget	nd	nd	nd	nd	1 577.2	1 679.8
		Actual	429.6	1 010.3	1 519.4	1 423.3	na	na
9	Fig trees of Torres Novas	Budget	nd	nd	nd	nd	13.7	15.0
		Actual	0.9	7.6	4.9	11.7	na	na
10	Terraced vineyards (Douro)	Budget	nd	nd	nd	nd	667.9	886.6
		Actual	162.7	369.1	360.2	339.7	na	na
11	Orchards of regional varieties	Budget	nd	nd	nd	nd	167.7	168.6
		Actual	35.9	168.3	162.6	166.2	na	na
12	Traditional dryland orchards (Algarve)	Budget	nd	nd	nd	nd	354.3	361.5
		Actual	21.4	305.7	282.8	343.4	na	na
13	Traditional dryland almond trees	Budget	nd	nd	nd	nd	246.0	267.7
		Actual	66.6	145.3	275.5	213.4	na	na
14	Holm-Oak agro-forestry systems	Budget	nd	nd	nd	nd	1 738.9	2 620.3
		Actual	165.1	500.9	382.4	416.8	na	na
15	Conversion of arable to extensive pasture	Budget	nd	nd	nd	nd	nd	nd
		Actual	nd	nd	nd	nd	na	na

Portugal (PT)

Public expenditure and EU contribution for organic farming and other agri-environment schemes (MPTE) (cont.)

Measures			1994	1995	1996	1997 ¹	1998	1999
16	Endangered livestock	Budget	nd	nd	nd	nd	1 448.5	1 605.2
17	Extensive livestock	Actual	776.7	893.7	619.7	1 213.4	na	na
18	Conservation of abandoned forests	Budget	nd	nd	nd	nd	314.5	314.8
		Actual	0	190.1	314.1	314.2	na	na
19	Conservation of farm woodlands	Budget	nd	nd	nd	nd	1 774.8	2 082.6
		Actual	132.8	1024.1	895.4	1213.0	na	na
20a	Other woodland conservation schemes	Budget	nd	nd	nd	nd	32.3	35.9
		Actual	4.6	18.6	29.3	26.9	na	na
20b	Conserv. of farmland in forest systems	Budget	nd	nd	nd	nd	37.9	42.5
		Actual	8.5	35.5	22.5	30.9	na	na
21	Protection plans for ESAs	Budget	nd	nd	nd	nd	429.9	429.9
		Actual	0	0	147.6	163.0	na	na
22	Professional training and demonstration schemes	Budget	nd	nd	nd	nd	274.6	400.0
		Actual	0	56.6	124.0	86.4	na	na
	TOTAL	Budget	nd	nd	nd	nd	22 172	28 622
		Actual	2 820	9 768	9 540	12 129	na	na
	EU contribution (Obj. 1 = 75%)	Budget	nd	nd	nd	nd	16 629	21 467
		Actual	2 115	7 326	7 155	9 097	na	na

Source: Ministério da Agricultura e do Desenvolvimento Rural-Direcção Geral do Desenvolvimento Rural and unpublished data obtained directly from DGDR on March 6, 1998. (Corresponds exactly to data in STAR, 1998, but not identical to 2078/92 financial reporting to Commission)

na = not applicable, nd = no data available,

¹ 1997 data is provisional.

17.1.7 General comments

Implementation of agri-environmental schemes not always favourable to organic farming:

- until recently, perennial crops were not eligible for payments before reaching their productive stage
- only organic farmers selling their products through specialised channels were eligible
- some of the other agri-environmental schemes, namely the aids for integrated pest management, are more favourable than those for organic farming, which makes some organic farmers switch to the alternative schemes.

The competitive alternative option to organic farming schemes is the integrated crop protection/crop production scheme because the payment rates are similar or higher in some cases, with lower requirements. This has been confirmed by interviews with some farmers who had to decide between the two types of schemes.

Firmino (1997) refers also to difficulties with late payments, restrictions on areas which could be entered if more than 14 000 ECU claimed, and a requirement that products must be marketed as organic in some areas to qualify for payments.

17.2 Impact of mainstream agricultural support measures on organic farming

17.2.1 Actors

The public organisations involved in determining how organic farming should fit into the mainstream CAP Reform were IMAIAA and IEADR until 1996 and DGDR since then. These organisations, however, deal with the whole set of farming activities and not exclusively with organic farming.

17.2.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Not applicable

17.2.3 Variations In mainstream measures CAP Reform Implemented

All mainstream measures applied.

17.2.4 Set-aside management requirements and implications for organic farming

Farming practices allowed on set-aside areas:

- a) spontaneous vegetation: obtained from seeds of the preceding crops, grazing being allowed from July 15;
- b) sown vegetation:
 - only species allowed to be sown: melilot, vetch, sainfoin, bird's-foot, lupin and rye-grass;
 - cannot be utilised for seed production nor for other agricultural uses before August 31;
 - crops cannot be used for sale before January 15 of the next year;
 - preparation for the next crops cannot start before July 15, except in those lands where the risk of erosion is small;
- c) non-food crops: allowed subject to the existence of a contract between the farmer and a processor.

There are no studies available on the impact of these requirements on organic farming.

17.2.5 Impacts of other measures on organic farming

There are no studies or publications available on this issue.

17.2.6 Special provisions for organic/converting producers

None

17.2.7 Environmental cross-compliance measures and implications for organic producers

None

17.2.8 Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming

Under the arable aid scheme payments were once reduced because the base area was exceeded, but there is no information on the impact of this on organic farmers.

17.2.9 Impact of national or regional aids on organic farming

Not applicable

17.3 Marketing and processing schemes

17.3.1 National/regional legislation (not EU-derived)

There is no national/regional legislation under which projects/organisations have received funding for marketing and processing.

17.3.2 Organisations/projects which have received funding from market and processing schemes

Organic olive oil and organic fruit and vegetables are identified in the EC Reg. 866/90 programming document as areas for support, but no recipients of funding have been identified.

17.3.3 Organisations active in market development within the organic sector

Agrobio is a national organic farming producer association
BIOCOOP is a co-operative of consumers and growers based in Lisbon

17.3.4 Public expenditure

No figures available

17.4 Regional and Rural Development Schemes

17.4.1 National/regional legislation (not EU-derived - see main text for details of EU legislation)

There is no national/regional legislation under which projects/organisations have received funding for regional or rural development.

17.4.2 Organisations/projects which have received funding from regional or rural development schemes (EU, national or regional)

The PAMAF and PPDR programmes provide support for rural development under Objective 1 of the European Structural Funds although no organic organisations or projects have benefited from these funds yet. For more details of these programmes see Lampkin, N., C. Foster, S. Padel and P. Midmore (1999). The policy and regulatory environment for organic farming in Europe. Organic farming in Europe: Economics and Policy, Volume1.

The LEADER programme has provided funding for organic agriculture in the Beira Interior in the form of financial support for ARAB (Associação Regional de Agricultores Biológicos) to promote organic agriculture.

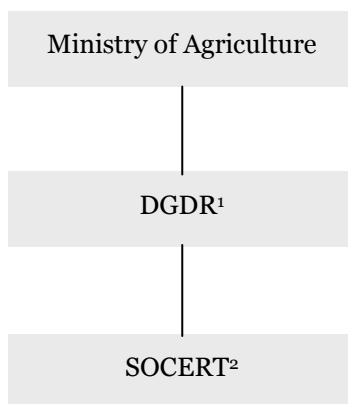
17.4.3 Public expenditure

Not applicable

17.5 Organic production standards, inspection and certification

17.5.1 Actors

17.5.1.1 Main bodies involved in administration, inspection and certification of EC Reg. 2092/91



¹ Competent Authority responsible for administration of EC Reg. 2092/91

² Inspection and certification

Administration of inspection and certification under 2092/91 is carried out by the General Directorate of Rural Development (DGDR) which has been in charge of the co-ordination of the agri-environmental schemes, including organic farming, since January 1997. Inspection and certification is carried out by the private sector body, SOCERT. In 1995 Agrobio transferred its certification responsibilities to SOCERT.

17.5.1.2 Private sector bodies operating their own set of standards

Agrobio has its own set of standards for its producer members, who are then entitled to use the Agrobio label if they conform. They only differ in very minor ways from EC Regulation 2092/91. Formerly Agrobio was also responsible for the certification but, according to most recent EC Regulation this function cannot be held by the same institution responsible for the technical support. Since January 1996, SOCERT (rooted in ECOCERT) is the only board officially recognised to certify Portuguese organic production.

17.5.2 National definition for organic farming (not EC Reg. 2092/91)

17.5.2.1 National legislation defining organic farming

None

17.5.2.2 Non legal national definition of organic farming

In 1985 Agrobio was created with the purpose of not only representing the organic farmers but also proposing a definition of organic farming and the corresponding standards. These standards, however, were not legally binding.

17.5.3 Prosecutions in breach of 2092/91 legislation or any other national legislation

No information available

17.5.4 Financial support towards inspection and certification costs

The programme PAMAF, promotion and certification of quality products, provides subsidies for the following types of actions: studies; planning of actions of control and certification, creation and operation costs of private organisations of certification, commercial promotion of certified products.

Maximum amount of eligible costs:

- studies: 5 000 kPTE;
- planning: 4 000 kPTE;
- creation and operation costs of certification organisations: 15 000 kPTE;
- commercial promotion: 5 000 kPTE.

Subsidies can go up to 75 % of the eligible costs for private applicants and 100% for public bodies.

This funding is available to producer groups, private companies, professional and interprofessional organisations.

17.5.5 Average inspection and certification costs (PTE)

SOCERT charges producers according to the following tariff scheme:

31 000 PTE X location coefficient (less favoured region, mountainous less favoured region, other regions) X diversification coefficient (organic only, converting, organic + converting, conventional + converting, organic + conventional) X farming system coefficient (intensive or extensive system with or without use of chemicals in the past and/or in neighbouring farms) X number of different products and field lots to be certified X turnover and type of accounting system of the farm enterprise.

There are organic farmers unhappy with what they feel is a lack of transparency of this scheme, and some have ended up by withdrawing from certification.

17.5.6 Public expenditure for the administration, inspection and certification

No data available

17.6 Advice and extension

17.6.1 National/regional programmes

Under the implementation of EC Reg. 2078/92 a programme of demonstration farms is included. Under this programme 14 organic demonstration sites were supported in 1996.

17.6.2 General provision of extension

Agrobio, the biggest organic producers' organisation is the main provider of organic farming advice. Farmers can become a member and then receive one free visit and printed material free of charge. Agrobio employs 3 advisors. The demonstration plots that are publicly funded are supported by Agrobio agronomists. Otherwise there is no public support for organic extension services.

17.6.3 Public expenditure (PTE)

	Forecast						
	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Total extension ¹		10 000	10 000	10 000	nd	nd	nd

nd = no data available

¹ Demonstration farms only

17.6.4 General comments

Depending on funding and opportunities Agrobio organises in-service training for the advisors, often with foreign experts and has a library with specialist publications from several countries.

17.7 Training and education

17.7.1 National/regional programmes

There is some training covered under the Implementation of EC Reg. 2078/92. No further details supplied.

17.7.2 General provision of training

Agrobio, the producers' organisations offers short courses for farmers of 3-5 days, introductions as well as more specialist courses, such as horticulture, viticulture, animal production, plant protection, weed control and processing.

No college offers any education or training in organic farming.

17.7.3 Public expenditure

No spending before 1996, no data supplied for the training courses under EC Reg. 2078/92.

17.8 Research and development

There are no activities in the field of organic farming research.

17.9 Future policy developments

The organic farming sector in Portugal is currently very small. Compared to the whole national farming sector, it represents less than 0.05% of the existing number of farms and less than 0.2% of the total cultivated area.

Only traditional crops such as olive oil production (\pm 4 000 ha) and dried fruits – almond and other nuts – that cover around 1 500 ha, have some significant economic weight. Their conversion to organic methods does not demand other than very minute changes.

The public bodies (apart from those responsible in implementing the relevant European regulations) are not actively seeking to develop the organic sector. The active role of Agrobio (together with the limited support from public administration) has been until now almost solely responsible for most of what has been done and achieved in the organic sector. All the other private organisations and/or actors have only recently set up and therefore it is not yet foreseeable what role they will be able to play in the future.

Future developments are most likely to depend on some kind of interplay between the public administration and private farmers, and/or farmers' and consumer's organisations. It is generally acknowledged that a potential demand and market for organic produce exists (national and abroad). Due to its climatic and other natural conditions, Portugal is well placed to be competitive in growing fruits and vegetables, olive oil and wine. Current production is too low to meet this demand (almost zero for some crops) in quantity, variety and, to a great extent, in quality also. Without increasing the production and supply in quantity and diversity of products, any significant development of the market is unlikely. The situation is similar for trading/marketing, at local, regional and national level. Development and organisation of production, together with organisation of the supply, marketing, trading and retailing structures are an absolute necessity.

Many consumer organisations associated or not with organic farmers could, in Portugal, play some role in stimulating the whole organic sector. For this to happen, the following types of policy measures are needed:

- active commitment from public authorities for providing continuing support to organic farmers in general
- stronger support for organic vegetable growing, which is almost completely lacking in the country (< 150ha cultivated)
- stronger support for farmers and farmers'/consumer's organisations which should play a central role in further developments for regional development and marketing; specific training and technical qualification programmes for farmers and/or agronomists; implementation of regional advice/extension services through direct (on farm) and distance technical advice; implementation of active and well-publicised field demonstration plots and pilot farms, open on a regular basis to organised visits by farmers.

Finally, research, field research, in co-operation with farmers and farmers' organisations should be encouraged and strongly supported,

involving the existing academic bodies and schools throughout the country.

Pushed by the organic farming organisations existing in the country and by the growing interest paid by the Common Agricultural Policy to environmental issues as shown in the Agenda 2000 proposals it is expected that public authorities in Portugal will be less passive than in the past with regard to the organic farming sector. Soon the Ministry of Agriculture will start preparing new proposals for the agri-environmental schemes to be included in the Common Support Framework to be negotiated with the European Commission for the period 2000-2004. However, there is no information yet about what new directions are going to be taken with respect to this.

17.10 Literature

DGDR (1997) Reg. (CEE) no. 2078/92 Medidas gro-Ambientais. Avaliação Intermédia da Execução e do Impacte Socioeconómico do Programa de Aplicação a Portugal Continental 1994-1996. Ministry of Agriculture, Lisbon. (contains regional analysis of uptake of different measures in 1996, including organic farming.)

Deblitz, C. and R. Plankl (1997) EU-wide Synopsis of Measures according to Regulation (EEC) 2078/92 in the EU. Federal Agricultural Research Centre, Braunschweig.

Firmino, A. (1997) Potentialities and constraints of Portuguese organic farming. Agrobio, Portuguese Association of Organic farming.

STAR (1994) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/3801/94 (unpublished). Comité des Structures Agricoles et du Développement Rural (STAR), European Commission, Brussels. (Establishes agri-environment programme including organic farming).

STAR (1996) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/9180/96 (unpublished). Comité des Structures Agricoles et du Développement Rural (STAR), European Commission, Brussels. (Administrative and training modifications).

STAR (1998) Agri-environment Programmes Regulation No. 2078/92 Working Document VI/3758/98 (unpublished). Comité des Structures Agricoles et du Développement Rural (STAR), European Commission, Brussels. (Modifications to aid rates and conditions).

18 SE – Sweden

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18.1 Organic farming support under agri-environment and extensification programmes

18.1.1 Actors

18.1.1.1 Organisations Involved In setting up 2078/92 and previous organic farming support scheme

Legislation: Swedish Board of Agriculture (Jordbruksverket-SJV); Ministry of Agriculture (Jordbruksdepartementet)

Lobbying: Ekologiska Lantbrukarna, formerly Alternativodlarnas Riksförbund, (The Association of Ecological Farmers); Samodlarna Sverige (farmers' co-operative)

Consultation: KRAV; Svenska Demeterförbundet; Riksantikvarieämbetet; Naturvårdsverket; Riksrevisionsverket;

Företagens uppgiftslämnardelegation; LRF; Svenska fåravelsförbundet; Ekologiska Lantbrukarna; Länsstyrelserna;

Hushållningssällskapens förbund

Previous (1989) scheme:

Lobbying: Alternativodlarnas Riksförbund (now Ekologiska Lantbrukarna); The Samodlar-associations (farmers co-operatives); Samarbetsgruppen för alternativ odling.

Legislation: KRAV-rules adopted by the SJV, but certifying was not necessary.

18.1.1.2 Organisations Involved In operating 2078/92 or other organic farming support scheme

Administration: SJV; The County Administration Boards (länsstyrelser)

Certifying and control: KRAV; Svenska Demeterförbundet

Support for promotion: Samodlarna Sverige (farmers' co-operative)

Advisory service: The County Administration Boards and the Agriculture Societies (Hushållningssällskap) together with other private advisors.

Previous (1989) scheme

Certifying: KRAV and Svenska Demeterförbundet.

Administration: The County Administration Boards, the SJV

18.1.2 National/regional legislation (not EU-derived - see main text for details of EU legislation)

Parliamentary decision from 1994 aims to achieve 10% of farmed area organic by 2000.

Led to Ekologisk produktion - Aktionsplan 2000 (SJV rapport 1996) (see section 18.9)

Previous (1989) scheme:

Regulation: Förordning om stöd till alternativ odling. Svensk författningssamling (SFS) 1989:11 (26.01.89)

Objectives: a) send positive signals the society about the will to promote organic farming (proposal by the Social Democrats before the election 1989); b) encourage the producers with the aim to increase the supply of organic products on the market.

18.1.3 Agri-environment schemes (measures) Implemented

Horizontal programme: organic farming (measure 10)

Zonal programme 1: Conservation of biodiversity and cultural heritage values in the agricultural landscape as well as the maintenance of an open landscape in the forest regions and in northern Sweden (measures 1-4). These measures were developed from two schemes 'Nature conservation measures in the agricultural landscape', introduced in 1986 (1994: 4 400 contracts, 50 000 ha, 80% semi-natural grazing), and 'Measures for landscape conservation', introduced in 1990 (1995: 15 000 contracts, 337 000 ha).

Zonal programme 2: Protection of environmentally sensitive areas (measures 5-9)

Sweden (SE)

	Measures	Start year	Regions	Number of farms 1997 ¹	Land area (ha) 1997 ²
1	Biodiversity – hay meadows	1996	All	1 700	4 382
2	Biodiversity – semi natural pasture	1996	All	13 000	175 805
3	Maintenance of an open landscape	1995	In southern Sweden and islands without bridge to the mainland (Öland, Götaland)	34 000	751 508
4	Conservation of biodiversity and cultural heritage values of the farming landscape	1996	All	13 000	618 182
5	Wetlands/ponds on arable land	1996	Only in Götaland and Svealand	500	999
6	Establishment of permanent grassland in environmentally sensitive areas (ESAs)	1996	Only in Götaland and Svealand	800	1 968
7	Catch crops	1996	Only in Götaland	400	4 208
8	Endangered livestock breeds	1995	All	600	2 600 LU
9	Traditional cultivation of local varieties of brown beans (<i>Phaseolus vulgaris</i>)	1995	Only at Öland	130	927
10	Organic farming	1995	All	10 869	205 185
11	Convert of arable to perennial leys	1997	All	no data	no data
12	Resource management agriculture	1998		-	-
13	Environm. beneficial sugarbeet	1998	Only in Götaland	-	-
14	Restoration of mowed meadows	1998		-	-

Source: Programme details: Swedish Board of Agriculture and STAR (1997b), 1997 area data: Swedish Board of Agriculture

¹ 1997 numbers estimated based on 1996 numbers and area increase since 1996 except organic - actual data used.

² 1997 area data are provisional and represent area applied for, not necessarily area accepted.
- = no farms

Previous schemes:

Measures	Start year	Regions	Number of farms	Land area (ha)
Scheme for alternative agriculture (3 years)	1989	All	(up to 1995) 1 800	(up to 1995) 44 000
Scheme for alternative agriculture (one year)	1994	All		(up to 1995) 49 000

18.1.4 Details of organic farming schemes

18.1.4.1 Requirements and eligibility conditions

Farmers eligible to participate	Converting <input checked="" type="checkbox"/> Continuing <input checked="" type="checkbox"/>
Organic certification requirement	- (production to 2092/91 standards for crops and IFOAM standards for livestock, controlled by random sampling by government agencies)
Maximum size/payment limit	<input checked="" type="checkbox"/> 3 900 SEK/ha 1997 (3 850 SEK/ha before) (1989: 2 900 SEK/ha)
Minimum size/payment limit	<input checked="" type="checkbox"/> 0.1 ha for a separate lot, minimum payment 1 000 SEK. (1989: 2 ha)
Stocking rate limit	<input checked="" type="checkbox"/> No specific limits for organic. General limits 1.6 LU/ha. (1989: No)
Eligible crop restrictions	<input checked="" type="checkbox"/> Not set-aside (fallow, industrial and energy crops) or permanent grassland. Fruit and greenhouse production also excluded. (1989 scheme: Cereals, oilcrops, peas, beans, potatoes, sugarbeets. In the first year only, leys, fodder and catch crops included.)
Organic management of livestock	- (but supplement if animals produced to IFOAM standards) (1989: no)
Staged conversion possible	<input checked="" type="checkbox"/> (1989: max. conversion period 5 years)
Part farm conversion possible	<input checked="" type="checkbox"/>
Training and/or advice provided	<input checked="" type="checkbox"/> Optional
Other restrictions	-
Adjustments to original scheme	- (some smaller changes concerning for example animal husbandry, rules for tenancy – details not supplied)

= yes, - = no

18.1.4.2 Regional variations

None, apart from zonal payment levels (see Table 18.1.4.3)

18.1.4.3 Payment rates for organic farming scheme (SEK/ha)

Year	Region	Land use/type	Conversion/ Continuing	Comments
1995-1998	Zone 1: Northern Sweden and forest region of Southern Sweden	Standard rate (cultivated land)	900	Excludes set-aside land
1995-1998	Zone 2: Plain lands of Götland and Svealand	Standard rate (cultivated land)	1 600	
1995-1998	Zones 1 and 2	<u>Extra</u> for organic livestock on leys, pasture and fodder crops	600	Livestock must be managed to IFOAM standards (minimum number of breeding animals required)
1998	Arable land in whole country	Organic berry and fruit production	7 000	Professional scale: Plots > 0.1 ha, Min density ³
<i>Previous (1989) scheme:</i>				
1989/90 ¹	18 different payment levels for 24 different regions, differentiated by land quality and yield potential.	Cereal, oilseeds, peas, beans, potatoes, sugarbeets, leys, fodder/catch crops	700-2 900	No payments for horticulture Leys, fodder and catch crops for one year only.
1990/91-1994/95		As above except leys, fodder and catch crops	700-2 900	Payments only available for farms registered in 1989, although conversion could start up to 1992
1994/95 ²	All	As above	156	Supplement to basic payments

¹ 1989: subsidies given as one-off scheme, payable for three years although organic management required for six years

² 1994: an extra subsidy of 156 SEK/ha was given for 1994 to show interest in organic farming, at the initiative of the Christian Democratic Party (KDS).

³ Minimum densities prescribed: fruit trees > 400/ha, wild berries > 30 000 plants/ha, strawberries > 20 000 plants/ha, raspberries and blackberries > 2 000 plants/ha, sea buckthorn > 3 000 plants/ha, currants, gooseberries etc. > 1 500 plants/ha, elder > 1 000 plants/ha.

18.1.4.4 Support other than direct income payments as part of organic farming scheme

Scheme administration	Not 2078/92, Yes for previous scheme (1989/90-1992/93): County Administration Boards - 2 MSEK; KRAV and Demeter - 0.64 MSEK
Marketing and processing	Not 2078/92, yes for 1991/92-1994/95 - 13 MSEK
Certification and inspection	Not 2078/92, yes for 1993/94-1994/95 - 4 MSEK
Advice and information	Not 2078/92, yes for early 90's-1994 - ca. 5.5 MSEK/year
Training and education	2078/92: Compensation to the SJV for administration costs for running training/information and demonstration programmes.
Research and development	Not 2078/92, other 126 MSEK 86/87-95/96 (SJFR+SJV)

Figures represent actual spending

18.1.5 Combination between organic farming and other agri-environment schemes

☐ Optional (1989 scheme not possible)

18.1.5.1 Requirements and payment levels for combinable or competitive agri-environment measures

	Measure	Main requirements	Typical payments ¹ (SEK/ha)	Relationship to organic
1	Conservation of biodiversity – hay meadows	No fertilisers, pesticides, irrigation, liming, stone removal or supplementary feeding of grazing animals. Supplements for traditional hay making, autumn grazing and pollarding.	1 300-1 800 supplements: scything 2500 grazing 700 pollarding 500	Combinable on holding, but not same parcel of land
2	Conservation of biodiversity - semi-natural grazing land	No fertilisers, pesticides, liming, irrigation, stone removal. Supplement for pollarding 500 SEK/ha	1 100 – 1 600 400 on 'alvar'	Combinable on holding, but not same parcel of land
3	Maintenance of an open landscape	No irrigation and liming or pesticides. Extensive management of grassland (No fertiliser on semi-natural grazings). Cutting and grazing requirements	2 300-2 700 (800 in forest areas and north)	Combinable

Requirements and payment levels for combinable or competitive agri-environment measures (cont.)

Measure	Main requirements	Typical payments ¹ (SEK/ha)	Relationship to organic	
4	Conservation of biodiversity and culture heritage values of the farming landscape	Classification according to zoning/ qualification points. Landscape maintenance requirements	1 200 SEK/ point in south 1 000 SEK/ point other	Combinable
5	Wetlands and ponds on arable land	No liming, pesticides, fertilisers in wetlands. Removal of grass after cutting. 1 000 SEK/ha supplement for annual cutting	4 800 for 5 years then 2 500 for 15 years	Combinable on holding, but not same parcel of land
6	Establishment of permanent grassland	No fertilisers or pesticides. Manure and cutting restrictions. Permanent plant cover.	1 500-3 300	Combinable on holding, but not same parcel of land
7	Catch crops	No pesticides/fertilisers, >50% of seed ryegrass, ground cover during autumn and winter	500	Combinable
8	Endangered livestock breeds	Breeds must be in EU list, breeding plan required	1 000 SEK/LU	no data
9	Phaseolus beans	No insecticides or fungicides, mechanical weeding, max 30 kg N/ha	2 750	no data
11	Conversion of arable to perennial leys	All arable land eligible	550-850	Combinable
12	Sustainable/ resource management agriculture	50% of farmers (1.4 Mha) targeted. Pesticide and nutrient management.	< 50ha: 225 50-200ha: 100	Not combinable
13	Environmentally beneficial sugarbeet	Specific management practices prescribed, restricted pesticide use	1 350	Not combinable
14	Restoration of mowed meadows	Five year restoration plan required. Supplements for scything and autumn grazing	2 600-3 650	Combinable on holding, but not same parcel of land

Source: Deblitz and Plankl (1997) and STAR (1997b)

¹ Payments generally vary according to land class and region.

18.1.5.2 Adjustments to the rates of payment since scheme was originally implemented

None made so far. Proposals for changes to conditions and payment rates for several schemes are made in the evaluation document (SJV, 1997) and agreed by the Commission (STAR, 1997b), presumably to be implemented in 1998.

18.1.6 Public expenditure and EU contribution for organic farming and other agri-environment schemes (MSEK)

Previous organic support schemes:

Scheme	Year	89/90	90/91	91/92	92/93	93/94	94/95
1989 organic	Actual	35	23	21	7.5	4.7	2.1
1994 organic	Actual	na	na	na	na	na	8.0

Agri-environment programme:

Scheme	Year	1995	1996	1997	1998 ²	1999 ²
1 Biodiversity - meadows	Budget ¹	0	11	11	11	11
	Actual	0	9.7	nd	na	na
2 Biodiversity – pasture	Budget	0	426	426	426	426
	Actual	0	207	nd	na	na
3 Maintain open landscape	Budget	534	534	534	616	573
	Actual	542	532	nd	na	na
4 Cultural heritage	Budget	0	100	200	200	200
	Actual	0	198	nd	na	na
5 Wetlands ponds on arable land	Budget	0	20	20	20	20
	Actual	0	2.2	nd	na	na
6 Permanent grass in ESAs	Budget	0	25	25	25	25
	Actual	0	2.3	nd	na	na
7 Catch crops	Budget	0	20	20	20	20
	Actual	0	2.1	nd	na	na
8 Rare livestock breeds	Budget	4	4	4	4	4
	Actual	2.3	2.1	nd	na	na
9 Phaseolus beans	Budget	3	3	3	3	3
	Actual	1.5	2.1	nd	na	na
10 Organic farming	Budget	126	177	227	278	328
	Actual	106	172	nd	na	na

Agri-environment programme (cont.):

Scheme	Year	1995	1996	1997	1998 ²	1999 ²
11 Arable to ley conversion	Budget	na	na	600	600	600
	Actual	na	na	nd	na	na
12 Sustainable farming	Budget	na	na	na	300	300
	Actual	na	na	na	na	na
13 Sugar beet	Budget	na	na	na	nd	nd
	Actual	na	na	na	na	na
14 Restore meadows	Budget	na	na	na	na	nd
	Actual	na	na	na	na	na
15 Demonstration- biodiversity	Budget	35	35	35	15	15
	Actual	11	13	45	na	na
16 Demonstration - ESAs	Budget	25	25	25	15	15
	Actual	19	10	60	na	na
17 Demonstration- organic	Budget	50	50	50	20	20
	Actual	19	15	45	na	na
18 Demonstration - biod. forests	Budget	40	40	5	5	0
	Actual	47	7	50	na	na
Total	Budget	817	1470	2185	2476	2521
	Actual	746	1153	1275	na	na
	EU%	50	50	50	50	50

Source: 1995 - Swedish Board of Agriculture; 1996 - Yearbook of Agricultural Statistics, 1997 (1996 expenditure data for the bio-diversity and cultural landscape measures do not correspond to hectare uptake data, suggesting that columns incorrectly headed – data in this table have been adjusted to account for this, possibly mistakenly); 2078/92 statistical reporting by member state to European Commission (these data appear to be one year out of step with other sources, presumably because year end data is returned to the Commission as still valid at following 15th October.); 1997 total expenditure: own estimate. For reasons described, data should be treated with caution.

¹ Budgets are those projected when agri-environment programme established, not committed expenditure.

² Some of the figures for 1998 and 1999 will change. The new total budget for 1998 will be 2 800 MSEK.

na = not applicable

nd = no data available

18.2 Impact of mainstream agricultural support measures on organic farming

18.2.1 Actors

- The Association of the Ecological Farmers
- Samodlarföreningarna (farmers' co-operatives)
- KRAV
- Individual persons

18.2.2 National/regional legislation (non EU derived, see main text for details)

Not applicable

18.2.3 Variations in mainstream CAP-reform measures implemented

All mainstream measures applied on EU accession in 1995, except male calf processing scheme implemented in 1996.

No other relevant policies identified.

18.2.4 Set-aside management requirements and implications for organic farming

Different rules for different areas. Legumes now permitted at 30% (see below).

Annual set aside: Organic farmers do not receive 2078/92 organic support on set-aside land, but set-aside has to be managed organically as part of organic rotation. The normal set-aside payments are favourable for many organic producers in this context.

18.2.5 Impacts of other measures on organic farming

Male calf scheme: although potentially beneficial for the organic farmers as they get subsidies for slaughtering calves so the calves don't have to drink the expensive organic milk, the scheme is seen as unethical and not considered beneficial for organic farming – a high proportion of organic male calves are used in meat production.

Extensification: The rules for organic farming require bigger areas for grazing than conventional farming - therefore probably beneficial for organic farming.

18.2.6 Special provisions for organic/converting producers

Inclusion of clover in set aside mixtures: In the first two years, organic farmers were allowed to have 30% clover in set aside mixtures instead of <20% for conventional farmers. Now all farmers can use 30%.

Milk quota: The organic farmers could choose a more favourable alternative than the conventional farmers and choose production level between 1991-1994 instead of an average 1991-1993. The rules were announced late and this provision has had a minor impact for organic producers (higher payments for the milk have had a bigger impact).

18.2.7 Environmental cross-compliance measures and implications for organic producers

None

18.2.8 Impact of expenditure capping mechanisms linked to regional base areas/ numbers on organic farming

Not possible to say yet

18.2.9 Impact of national or regional aids on organic farming

No

18.3 Marketing and processing schemes

18.3.1 Legislation which provides/provided support for market and processing

18.3.1.1 National/regional legislation

- Regleringsbrev för 1991/92, 1992/93, 1993,94, 1997 anslaget B1. (SJV, 1991, 1992, 1994/95. Beslut om bidrag till marknadsfrämjande åtgärder inom den ekologiska produktionen.) Support for marketing within organic production
- Regleringsbrev för 1993/94, anslagen G6 "Miljöförbättrande åtgärder" och B10 "Omställning i jordbruket m.m.". (SJV, 1993. Beslut om bidrag till marknadsfrämjande åtgärder inom den ekologiska produktionen.)

Environmental improvement objectives, conversion in agriculture

18.3.1.2 EU legislation

Aid for the processing of organic horticultural products has been received under EC Reg. 951/97

18.3.2 Organisations/projects which have received funding from market and processing schemes (EU, national and regional)

The following includes examples of organisations which have received funding for market development:

	Type of participant	Main marketing activity
Ekologiska Lantbrukarna (formerly Alternativodlarnas Riksförbund)	Producer	Information activities to consumers, information material
Biodynamiska Föreningen	Producer	Information activities to consumers
Eco Trade AB	Farmers co-operative	Development of the market for cereals
Ekokött/Svenskt Ekologiskt kött	Farmers co-operative	Market consultants, market activities for promoting sales of organic meat specially in the south and west of Sweden
Ekologiska köttproducenter i östra Sverige	Producer	Marketing of meat
Hallands ekologiska jordbrukare	Producer	Marketing of organic products
Hushållningssällskapet i Göteborg och Bohus län	Advisory service	Information to consumers about organic farming
KRAV	Control organisation	Marketing of the KRAV-logo, information activities, international marketing of the KRAV-logo, participating in IFOAM-work
Mittodlarna	Farmers co-operative	Marketing of meat
ODAL	Farmers co-operative	Marketing of cereals and peas
Saltå Kvarn	Processor	Introducing new products and fodder on the market, developing fodder, developing export, market consultants
Samodlarna Gävleborg	Farmers co-operative	Development and marketing of organic farming, market consultant
Samodlarna Spannmål	Farmers co-operative	Person responsible for cereals, market consultants
Samodlarna Svea	Farmers co-operative	Marketing of meat

Organisations/projects which have received funding from market and processing schemes (EU, national and regional) (cont.)

Organisation	Type of participant	Main marketing activity
Samodlarna Sverige	Farmers co-operative	Market consultants, marketing material for promoting sales of potatoes, legumes and berries, organising production for the processing industry, research-analysis of the market for organic products
Samodlarna Uppland	Farmers co-operative	Activities for increasing the production and market for meat
Samodlarna Värmland	Farmers co-operative	Activities for increasing the production and market for meat
Skånes Alternativ-producenter	Producer	Market and quality consultant
Stiftelsen Biodynamiska Produkter	Dealer	Information/marketing material, marketing of meat and dairy products, market consultants
Svenska Demeterförbundet	Control organisation	Marketing of the Demeter-logo, international development work
Övertorneå naturprodukter	Farmers co-operative	Marketing of legumes
Samodlarföreningen Västerbygd	Farmers co-operative	Marketing of milk and meat
Tingvall - Ekologisk försöksgård	Research farm	Consumer information about organic products

18.3.3 Organisations active in market development within the organic sector

See also above list

- Informationscenter för ekologiska produkter. (Four people working with the marketing of organic products in general.)
- Konsum (consumers' co-operative) and ARLA (the biggest dairy farmers' co-operative) are two organisations that have had an important role for the marketing of organic products.

There are also a number of private firms active in the market development field.

18.3.4 Public expenditure (MSEK)

Project	Year	18 month					Forecast		
		91/92	92/93	93/94	94/95	95/96	1997	1998	1999
	Budget:							nd	nd
	Actual:	1.7	1.7	4.9	4.0	2.4	2		
	Budget:	na	na	na	na			nd	nd
	Actual:					0.1005	0.1005		
	EC Reg:					951/97	951/97		
Total	Budget:							nd	nd
	Actual:	1.7	1.7	4.9	4.0	2.5	2.1		

na = not applicable, nd= no data available

18.4 Regional and Rural Development Schemes

18.4.1 National/regional legislation (not EU-derived - see main text for details of EU legislation)

None

18.4.2 Organisations/projects which have received funding from regional or rural development schemes (EU, national and regional)

Hushållningssällskapens Förbund (The Agriculture Society) has compiled a list of projects that have received support from EU. In that list there are two projects in the field of organic farming and market development which have received Objective 5b funding.

18.4.3 Public expenditure (MSEK)

Project	Year	18 month					Forecast		
		91/92	92/93	93/94	94/95	95/96	1997	1998	1999
Organic farming and market development	Actual:	na	na	na	na	na	2.69	nd	nd
	EU %:						34%		
	EC Reg.						Obj 5b		
Total	Actual:	na	na	na	na	na	2.69	nd	nd
	EU %:						34%		

na = not applicable, nd = no data available

18.5 Organic production standards, inspection and certification

18.5.1 Actors

18.5.1.1 Main bodies involved in administration, inspection and certification



¹ Competent Authorities responsible for administration of EC Reg. 2092/91

² Inspection and certification

Three government bodies are responsible for administration of inspection and certification under 2092/91.

18.5.1.2 Private sector bodies operating their own set of standards

Two private sector bodies are recognised by the above government bodies to carry out inspection and certification. KRAV's standards are based on the IFOAM standards and Svenska Demeterförbundet follows Demeter International standards for bio-dynamic production. KRAV is evaluated yearly by the IFOAM Accreditation Programme (IAP). KRAV standards are equivalent to IFOAM international standards of organic production. They also investigate if the certification and inspection process is reliable. A report (Profile of Accredited Certification Programme, KRAV) is then submitted to the IAP Board.

18.5.2 National definition for organic farming (not EC Reg. 2092/91)

18.5.2.1 National legislation defining organic farming

None

18.5.2.2 Non legal national definition of organic farming

KRAV standards were first agreed in 1985 providing standards for organic crop and animal production, processing, textiles, retailing, catering and importing. These standards have been fully recognised by the Swedish state.

18.5.3 Financial support towards inspection and certification costs

None

18.5.4 Average inspection and certification costs (SEK)

KRAV inspection fees for 1997:

Farm 1: 1 ha vegetables		Farm 2: 30 dairy cows and 50 ha farmland	
Annual fee	575	Yearly fee (veg.)	575
1 ha vegetables	180	30 ha ley à 28 SEK	840
		20 ha grain à 65 SEK	1300
		Yearly fee (animal husbandry)	250
		30 cows à 90 SEK	2700
TOTAL	755	TOTAL	5665

18.5.5 Public expenditure for the administration, inspection and certification under 2092/91

The producers bear the whole cost for the certification without governmental support.

No administration costs data obtained.

18.6 Advice and extension

18.6.1 National/regional programmes

Training, information and demonstration project within the Swedish environmental programme for agriculture (*Utbildning, information och demonstrationsprojekt inom det svenska miljöprogrammet för jordbruket*) is part of the Swedish programme under EC Reg. 2078/92 and was implemented in 1995.

The objectives are to promote the development of organic production with a special effort towards facilitating conversion and to give the opportunity to deepen knowledge in organic farming, through education, information and demonstration projects.

- Entitled to participate are farmers and their families, employees on the farm and entrepreneurs involved in agriculture, participating in the Swedish agri-environment programme.
- The activities shall be open to all entitled persons, if they get environmental aid or not, and independent of which relation they have to different organisations and actors in their profession.
- The offered activities shall be free of charge to those who are entitled to participate in the activities. Other costs of the participants (travel & subsistence) cannot be compensated.
- Programmes are made in all 23 counties all over the country, where it is a description of the goals of the programme and how the county will work to reach the goals. Various organisations are involved in the programme.

18.6.2 General provision of extension

The extension service for organic farmers is administered by Jordbruksverket, the general Swedish agricultural support service and co-ordinated in each country. Since about 1987 there is a specific budget for extension in organic farming with the overall budget for Jordbruksverket. Approximately 10 organisations that provide extension in organic farming can all claim subsidies for their services under this programme so that the extension/information provision to the farmers is currently free. There are currently approximately 100 persons (full equivalent) working in organic advice.

This service is now included in the Swedish programme under EC Reg. 2078/92.

18.6.3 Public expenditure (MSKR)

	Year	18 month				Forecast	
		93/94	94/95	95/96 ¹	1997	1998	1999
Total extension	Actual	4.7	4.5	60.6	35.9	32.5	32.5
	EU%			50%	50%	50%	50%
	EU-reg.			2078/92	2078/92	2078/92	

¹ The 95/96 budget year included 18 month and was approved halfway through the 18month period and therefor only 54% of the money could be spent.

Other funding: The Bio-dynamic movement received some private funding.

Hushållningssällskap got money from regional policy support programmes, municipalities and regional authorities in some parts of Sweden since around 1985. Today these funds are decreasing because of support under EU-Reg. 2078/92.

Institutet för Ekologiskt Lantbruk has for example had money from regional policy support programmes during 1989-1991 to an advice and conversion project.

18.6.4 General comments

The administrative responsibilities of the advisors have increased since the introduction of EC Reg. 2078/92.

All organisations have to carry out the activities before they can report and get paid, this is a problem for small organisations.

The Internet database *Svenskt växtodlingslexikon* (<http://www.sjv.se/vsc/sll/>.) contains information on published literature in organic farming. The organic part is financed under the EC-Reg. 2078/92.

18.7 Training and education**18.7.1 National/regional programmes**

Farmers training as part of implementation of EC Reg. 2078/92 (see section Advice).

No other programme.

18.7.2 General provision of training

The opportunities for training in organic farming are limited at any level:

- Voluntary short courses in organic farming for 15-18 year olds at Naturbruksgymnasier.
- There are no specific qualifications for organic farming technical level, the Swedish Agricultural University (Uppsala) offers some courses.
- The Swedish Agricultural University (Uppsala) offers some courses in organic farming as part of agricultural training but no specific academic qualification. The University also participated in the curriculum development group but will not offer the degree ecological agriculture in 1998.
- The private bio-dynamic Institute in Järna teaches a course in bio-dynamic agriculture every other year.
- Short courses for farmers are offered by various organisations and are supported under EC Reg. 2078/92.

18.7.3 Public expenditure (MSEK)

	18 month				Forecast		
	93/94	94/95	95/96 ¹	1997	1998	1999	2000
Total training ²	0.15	0.22	0.58	0.37	0.51	nd	nd

¹ The 95/96 budget year included 18 month and was approved halfway through the period

² Figures relate to the expenditure at the Swedish University of Agricultural Sciences

nd = no data available

18.7.4 General comments

Co-ordination of activities in the field of ecological agriculture between all the agricultural Universities in the Nordic countries is ongoing at the moment, under the NOVA—concept (Nordic Forestry, Veterinary and Agricultural University).

18.8 Research and development

18.8.1 National/regional programmes

SJFR-programme: Ekologisk jordbruks- och trädgårdsproduktion

Date: 970109 Reference number: JO 96/457

Name: Ändring av regleringsbrev för budgetåret 1995/96 avseende anslaget B 17. Från EU budgeten finansierad kompensation för revalvering av jordbruksomräkningskursen.

Summary of objectives: Supporting research in organic farming.

SJV-programme: Miljöförbättrande åtgärder i jordbruket. Ekologiskt lantbruk

Date: 961219 Reference number: Regleringsbrev 11.

Name: Regleringsbrev för budgetåret 1997 för anslag inom utgiftsområde 23 såvitt avser Jordbruksdepartementets verksamhetsområde. Anslaget B 6.

Both programmes were implemented in 1997 with the aim to support the goal to have 10% of cultivated area converted to organic production in the year 2000. Together they include funding for 8 University posts, approximately 100 contract research projects and 6 experimental farms.

18.8.2 General provision of research

Research in the field of organic farming started in the mid 80ies. The main actor is the Swedish Agricultural University with 4 locations (Alnarp, Skara, Uppsala and Umeå), projects were also carried out by the Universities of Gothenburg, Lund Stockholm and Uppsala.

SJFR evaluated the research between 1985 and 1991 and came to the conclusions that the majority of projects were inventories of existing trends rather than truly innovative research projects, and that the University environment did not foster such innovative development. A similar appraisal was carried out in 1996, which again emphasised the need for more trans-disciplinary co-operation.

The above mentioned national research programme in the field of organic agriculture was implemented, leading to an increase in resources, including approximately 25 contract research projects and 3 university chairs.

The bio-dynamic movement has an independent research institute (Stiftelsen Biodynamica Forskningsinstitut, SBFI) at Järna, current projects include treatment of farm yard manure, cultivation of seeds and quality assessment.

In total there are about 100 researchers working on approximately 200 projects about organic farming.

18.8.3 Public expenditure (MSEK)

	18month				Forecast		
	93/94	94/95	95/96 ¹	1997	1998	1999	2000
Total research	16	16	11	28.5	28.5	28.5	nd

nd = no data available

¹ The 95/96 budget year included 18 month and was approved halfway through the period

The national research programme has a budget of 46.5 MSEK for three years (1996-1998).

Various private foundations have also supported research with approximately 17.1 MSKR over the 4 year period between 1995 and 1999 (approx. 4.2 mil per year).

18.9 Future policy developments

Direct payments: no significant changes or increase

National standards and certification: discussions about the use of composted household wastes, human urine etc. as well as energy use and biodiversity will probably increase

Market development: increase

Extension and advice: a slight decrease

Training: increase

Research: applied research will probably increase in a 5-10 year perspective.

Jordbruksverket, 1996. Ekologisk produktion - Aktionsplan 2000. Rapport 1996:3. Jordbruksverket, Jönköping.

Abstract: In 1995 the Government gave the Board of Agriculture the commission to make a proposal for a plan of action with the goal that 10% of the agricultural land in Sweden should be organically grown in year 2000. The report describes: definition of organic farming, motives for stimulating organic farming, rules and control today, history, market, production, subsidies until today (advisory service, research och development, control, market development), effects of the 10% goal, problems (in production, knowledge, market), needs to obtain 10% organically cultivated area (research and development, advisory service, information, market development, subsidies, demonstration farms etc).

18.10 Literature

Brorsson, K-Å. (1989) Ekonomiska effekter av omställningsbidrag till alternativ odling (Economic effect os conversion support to alternative

agriculture). Alternativ odling nr 2. Forsknings- och försöksnämnden för Alternativ odling. Ultuna.

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Ekologiska Lantbrukarna & Lantbrukarnas Riksförbund (1995) Utvecklingsplan för ekologiska livsmedel. Stencil.

Höök, K. (1995) Ekologiskt lantbruk. Forsknings- och utvecklingsprojekt, försöksgårdar och skoljordbruk i Sverige 1995. SLUInfo, SLU, Uppsala.

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