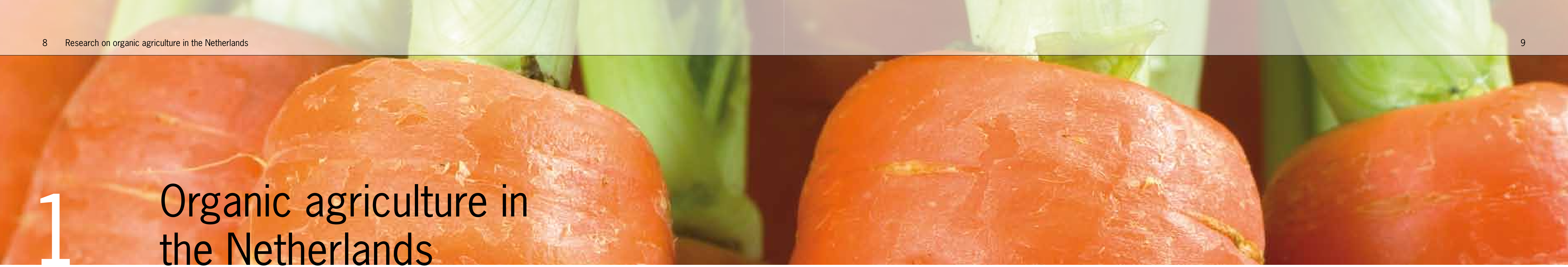


1 Organic agriculture in the Netherlands

Dutch organic agriculture has unique characteristics and peculiarities. It is still a relatively small sector compared to conventional agriculture in the Netherlands. However, its market share is growing and organic agriculture leads the way in terms of sustainability and innovations.

With a total surface area of about 4.15 million hectares, the Netherlands ranks among the smaller countries in Western Europe. With a population of 16.5 million in the year 2007, it is one of the most densely populated countries in the world.

The limited land area puts almost permanent pressure on rural areas, as these have to provide opportunities for economic production and transportation. At the same time, valuable nature areas and unique landscapes must be safeguarded for future generations.

Agriculture is an important sector in the Netherlands. Of the 3.4 million hectares of land surface, 1.9 million hectares is dedicated to agriculture. Costs for land and labour are high and therefore high productivity and good mechanisation are needed for farmers to be able to earn a living.

Organic acreage and plant production

Organic agriculture occupies a relatively small part of the total agricultural acreage in the Netherlands. With a share of 2.61 % (see Table 1), Dutch organic agriculture is below average compared to other EU countries. However, almost all organic acreage is highly productive. High-value crops have a relatively large share in the crop rotations (see Table 2).

A large part of the organic area is grassland that is used mainly for dairy production. Feed crops are also grown mainly for dairy production. The dominant feed crop is silage maize. Cereals are used mainly because of their positive role in crop rotation and have a relatively low share in the farmers'

Table 1. Land area and number of organic farms in the Netherlands (2008)

Total agricultural area	1,929,274 ha
Organic agriculture	50,435 ha
Organic share of total agricultural area	2.61%
Number of certified organic farms	1,395

Table 2. Land use in organic agriculture (2007)

Total area organic agriculture	50,435 ha
Grassland	36,029
Cereals	5,092
Vegetables	4,200
Feed crops	1,305
Potatoes	1,270
Fruit	5464
Non productive*	737
Various	1,256

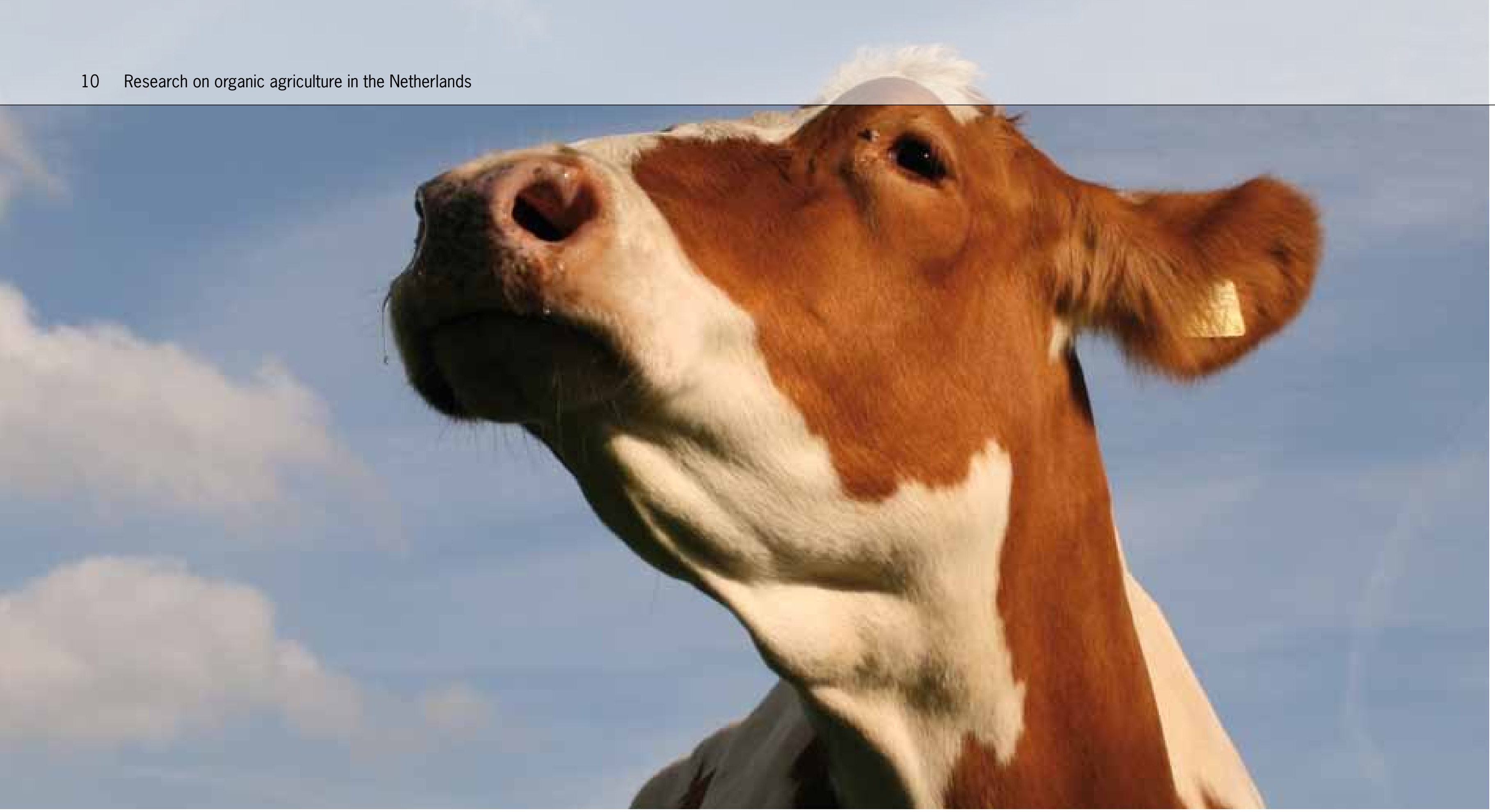
* The non-productive land is either fallow or cultivated with crops primarily grown for soil improvement

incomes. Important cereals are wheat and barley. These are grown partly for human consumption and partly for animal feed.

Vegetable crops and potatoes are the most important cash crops in organic plant production. Principal vegetable crops are carrots, onions and cabbage species. A large part of the yield of these crops is exported to neighbouring countries. Greenhouse production is a very specific branch of organic vegetable production, and although it is very small in terms of area (70 ha), it has a very high economic value. Tomato, sweet pepper and cucumber are important organic greenhouse crops.

The main Dutch fruit crops are apples and pears. Scab-resistant apple varieties such as Santana and Evita are important organic fruit crops. Besides apples and pears, berries and wine grapes are grown.

In addition to these main branches of plant production, many other crops are grown organically, for example, ornamentals, flowers, bulbs and mushrooms.



Animal production

Dutch people consume a lot of dairy products, and organic dairy has enjoyed increasing popularity. Most of the consumed dairy products come from dairy cattle. In the Netherlands there are approximately 16,000 organic dairy cows on 305 farms, with an average cow density of 1.77 per hectare. Moreover, there are about 60 organic goat dairy farms and 15 organic sheep dairy farms. Their produce is mainly exported.
About 170 farms produce organic beef. Dutch organic beef production is in steady decline, similar to conventional beef production. Consumer demand for organic beef, however, has shown steady growth. A large part of the organic beef that is sold in the Netherlands is therefore imported.
The number of organic pig farms has increased slowly in recent years, as has the number of pigs per farm. Currently there are approximately 65 organic pig farms in the Netherlands.
The number of organic laying hens in the Netherlands has increased strongly over the last few years, from about 405,000 in 2004, to almost 1 million in 2007. However, this still amounts to only 4 per cent of all laying hens in the country. Three-quarters of all organic eggs are exported to Germany. Organic poultry meat is produced on only 10 Dutch farms, which together house about 55,000 birds.

Area remains constant with rising demand

Consumer demand for organic products has risen steadily over the last 10 years. In 2008, consumer spending on organic produce amounted to €583 million, a market share of 2.1 per cent. The product groups fruit, potatoes and vegetables, and dairy and eggs enjoy the highest market shares of 3.8 and 4.3,per cent respectively. The main sales channels for organic produce are supermarkets and specialised organic or natural food stores, with respective shares of 45 and 42 per cent of total sales.
Upcoming sales channels are the internet and the catering market. Sales of organic produce in the catering market have almost doubled from €23.4 million in 2007, to €46.1 million in 2008. A typical sales channel for organic produce is the so-called 'box scheme'. The latter entails a subscription plan where the consumer receives a box or bag containing an assortment of freshly harvested vegetables and fruit every week, for a fixed price.
Over the last decade, consumer spending on organic produce has grown 8.5 per cent annually on average. International sales of organic produce are also still increasing. However, since 2004, the number of organic farms has declined and the total organic acreage has almost stabilised. This development has caused a shortage in the supply of organic produce in recent years. Dutch conventional farmers are currently reluctant to convert to organic agriculture. An active campaign is now taking place to try to influence the views and attitudes of these farmers. Organic production needs to be considered more as an economically viable option for farm development.

Ambitions for sustainable development

The organic sector in the Netherlands is dedicated to the continuing sustainability of organic agriculture. The sector supports a long-term vision in which a top performance in sustainability is the goal. Based on this vision, ambitions have been formulated, which in many cases go much further than the current standards for certified organic production as described in EU regulations. Priority issues in sustainability are the following: animal welfare, a clean environment, climate-neutral production, on-farm nature and biodiversity, close connection with society and consumers, healthy, flavourful and safe food, 100% organic inputs and no depletion of resources. Following the recommendations of the organic sector, a substantial part of the agenda for research and knowledge circulation is dedicated to these ambitions.

Multifunctionality and connecting to society

Due to the dense population and competing claims for land in the Netherlands, there are opportunities for multifunctional land use and multifunctional agriculture. The organic sector in the Netherlands contains a very high number of multifunctional farms. Sixty per cent of all organic farms have activities in addition to primary production. This is three times higher than in conventional agriculture. Nature conservation is the most common side-activity, with 40 per cent of farms involved. Direct sales (30%), recreation (20%) and healthcare (12%) are other significant activities.

It is striking that organic farms are often specifically involved in activities that foster a closer connection between society and production. On organic farms, the general public is much more personally involved in the farm and in food production than on conventional farms.

Ambitious policy

Dutch policy actively supports the development of organic agriculture. The motivation for this support is the sector's strong performance with regard to sustainability, multifunctionality and social connections. A precondition is that organic agriculture connects with forerunners in sustainability in mainstream agriculture, and in this way promotes the exchange of knowledge. The government also challenges the sector to strengthen its connection with society.
The organic sector must continue with its own development. In the years to come, the Dutch organic sector should develop into a robust and independent sector, with a market share that increases by 10 per cent annually. Additionally, organic acreage should grow by 5 per cent annually. Knowledge and market development are considered to be the main driving forces for the growth of organic agriculture. Therefore, financial support from the government is focused on these aspects instead of direct financial support for organic farmers.
Market development is facilitated by the Taskforce Market Development for Organic Agriculture. An important objective of the Taskforce is to increase the sales of organic produce. This Taskforce organises consumer campaigns, supports retailers in their marketing efforts and promotes export and import of organic produce. Moreover, the organisation has a role in balancing supply and demand considering the current shortage in the supply of organic produce.
Another important way to encourage market development in organic agriculture, is effective cooperation between the parties in the chain. This cooperation is outlined in a formal agreement between chain parties. Chain management is a key element in the approach taken through this formal agreement. Acting as impartial discussion partners for all links in the chain, chain managers are encouraging greater efforts from businesses towards both consumers and other links in the chain.
Knowledge development is strongly directed at strengthening the innovative power of the sector. There is also ample attention to knowledge exchange and use of knowledge. The organic sector is, through the Bioconnect network, specifically involved in setting the agenda for knowledge development and exchange (see Chapter 3). To support knowledge development and exchange, there is a standard allocation to the organic sector of 10% of the budget for policy support research and statutory research tasks in agriculture.

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