

A stylized map of Europe in light purple, overlaid with several thick, colorful ribbons in shades of green, orange, blue, and red that swirl across the map. The ribbons are semi-transparent and overlap each other.

AREPO position on EC Proposal for a new Regulation on Organic production and labelling

AREPO Technical Meeting, September 24th

INSTITUTIONAL DEBATE

EUROPEAN COMMISSION

On March 2014 the EC presented its proposal for a new regulation on organic farming

Priorities:

- Harmonization
- Controls
- Environmental performances
- Import system
- Simplification
- Need to find solutions:
 - For farmers → guarantee good internal market
 - For consumers → quality

The legal proposal was accompanied by the **Action Plan**.

Timetable: fast process for proactive position of Italian Presidency, the Council is working very fast.

EUROPEAN PARLIAMENT

Rapporteur COMAGRI: Martin Hausling (Greens)

- **Timetable:** In 5 weeks draft report, in **January** final position in COMAGRI and in **February** in the Plenary (2 years process).
- **Critical points** to change in the proposal:
 - Keep process orientation, no threshold for GMO
 - Certification for retailer (administrative burden)
 - Welcome the strengthen of regional approach, but in a compatible way with organic
 - Biodynamic preparation not included in the proposal
 - Too much delegated acts → proposal must be changed
- **Positive points**
 - No mixed farm
 - Group certifications
 - 100% organic seed can be positive, but conditions have to be discussed (deadline 2021)

Greens don't want to reject the proposal.

ITALIAN PRESIDENCY

Italy has a **positive and proactive position**. It recognizes the need of this review to address the rapid growth of the sector. It sustains the EC view and the proposal, even if there are some critical points to be addressed.

Priority for the revision: **control system and imports** to guarantee traceability and consumer protection. In particular, regarding **control regulation**.

Italian Presidency objective: to complete the first reading and **elaborate a consolidate position defining some common pillars** for the development of organic agriculture in Europe.

Three critical points in the current EC proposal:

1. **Excessive use of delegated act** → it's an issues of democracy and representativeness. It creates uncertainty.
2. **Removal of all derogations** → it's necessary to guarantee a certain degree of flexibility to sustain the sector growth
3. **Control system and imports** → it has to be improved but it is important to maintain a control system relying on actors (control bodies) within the sector. It's fundamental to assure that the competence for control system remains in the hands of Agriculture Ministry (not Health Ministry) for its experience and knowledge in the **process based controls**. An approach based on the final product will reduce the analysis of important characteristics of organic agriculture.

I. STRUCTURE AND DELEGATED ACT

Description of the change:

- single regulation plus annexes that contain specific production rules (current structure: one basic regulation and 2 implementing regulations).

Analysis:

- many key parts are in the **annexes**, which can be modified by delegated acts.
- **excessive use of delegated acts**, most of them including **essential elements**.

The proposed structure could **decrease the stability**:
No complete view of the proposal → it's not possible to assess the impact.

High risk of fragmentation and uncertainty of the rules, increase of administrative burden and decrease of investment in the sector.

II. PRINCIPLE DRIVEN OPTION/ EXCEPTIONAL RULES

Description of the change:

Principle-driven option aims at re-focussing organic production on its basic principles and objectives of contributing to the integration of environmental protection requirements into the CAP, and promoting sustainable agricultural production.

This is been translated in the **end of exceptional rules.**

Analysis:

- Risks that are underestimated in the **impact assessment** which is biased since it **lacks of reliable data at European level.**
- The negative impact on the organic sector, caused by the elimination of all the exceptions and flexibility and the consequent tightening of the rules, could not be just temporary, as sustained by the EC.
- In the long run, it could exceed the expected benefits, with a consequent reduction in the supply of organic agricultural products produced in Europe.

III. GENERAL PRODUCTION RULES

Production rules will be strengthened and harmonised by removing various derogations and exceptions (except temporary in the case of catastrophic circumstances, see Article 17).

Transitional arrangements will be provided so that farmers can adapt to the new rules (ex. genetic input transitional measures relating to seeds, livestock and fish juveniles, Article 40).

Organic agricultural holdings have to be entirely organic.

Art 7.1(a)

Analysis:

- Exceptions are important for small producers, for the new MS and for the countries where organic production is not developed, because they permit a gradual conversion.
- It would be important to **improve the exceptions definition and include them directly in the main regulation**, avoiding the uncertainty linked to the Commission delegated acts in order to assure the stability of the sector.

Analysis:

- **Ideally positive**, simplify the control, less contamination and more guaranties.
- Practical problems: a great number of mixed farm, the cost of a complete conversion presents a high **risk of losing a large part of organic farms**.
- **Increase of administrative burden** for the competent authorities and **risk for the transparency** of the production (splitting company).
- If applied to **seed companies**, risk to undercut the organic seed production.

Analysis:

Organic operators other than farmers or operators producing seaweed or aquaculture animals are **required to develop a system to measure their environmental performance** (exception: micro-enterprises). **Art 7.1(d)**

- It's not clear how the environmental management system should be put in place (by whom? How should it be controlled?). Definition through an EC delegated act increases uncertainty.
- The criteria for environmental certification **should be included directly in the regulation.**
- It would be appropriate to extend the requirement **to organic processors and importers** (along the production chain).

Analysis:

Regional Feeds : up to 90% (now 60%) of feed in the case of **herbivores** and **60%** (now 20%) for **other animals** would have to come **from the same farm or the same region by 2017.**

- In some regions and for some species, this is achievable.
- However, farms in less developed organic areas and sectors, including those requiring special feedstuffs, would have great difficulty sourcing organic feed in their areas due to the general small size of farms in the region and the low percentage of organic cultivation.
- A **step by step approach** would be preferable.
- A **definition** of the term “**region**” is necessary in order to evaluate in impact of this measure.

IV. CONTROL SYSTEM

Official Control Regulation

Provision on organic control system are integrated in a single legislative text under the Commission proposal for a **Regulation on official controls** and other official activities in food and feed.

Official Control Regulation

The **risk-based approach** to official controls is reinforced by **removing** the requirement for a **mandatory annual physical verification** of compliance of all operators.

Analysis:

- Official Control Regulation **falls under the authority of DG SANCO**, this would in effect split authority over organic and would open up the possibility for diverging interpretation.
- Since control in the organic sector has specific characteristics, it would be important to keep at least control implementation under organic Regulation.

Analysis:

- Annual inspection is actually very important for consumer confidence and it should be maintained.

IV. CONTROL SYSTEM

Analysis:

All operators along the organic chain to should be **submitted to the control system**. (*Current system: exemption for retailer is widely used*).

Article 24, paragraph 1

- Unnecessarily **burdensome** to submit even the **retailers selling prepackaged food**. These operators do not present a high risk of commercial fraud and this provision increases the overall costs and discourages the development of the sector.
- It would be sufficient to regulate the use of exemption detailing its terms in the new regulation.

Analysis:

A system of group certification is introduced for **small-scale farmers to reduce the** inspection and certification **costs and** the associated **administrative burden**.

Article 3.7 and Article 26

- Positive, but it would be important to **define the conditions** directly in the regulation.
- **Limit of 5 ha** to define the small-scale farmers is not appropriate, the dimension depends from the type of exploitation (see greenhouse production and horticulture Vs production of cereals) and it would exclude a great number of small producers.
- Necessary to **modify the definition**, using a more appropriate criterion, like the **turnover**, to define the small-scale producers.

