

The new EU regulation on organics – a curse or a blessing?

Die neue Bio-Verordnung – Fluch oder Segen?

5 February 2015

About Freshfel Europe

- European association
 - Voice for the fruit and vegetable sector in the EU, based in Brussels
 - Platform for the sector to meet, discuss and exchange
- Large, diversified and representative membership:
 - associations and companies in EU and the EU's supplier countries
 - Across the supply chain (production, import, wholesale and export trade, logistic and retail)
- Our Mission: Stimulate consumption of fresh fruit & vegetables
 - Improve the efficiency and competitiveness of the sector
 - Facilitate international fresh produce trade
 - Assist the sector to comply with the highest safety rules
 - Provide a good environment for the promotion of fresh produce
 - Representing the interests of the sector in Brussels



More information and the latest activity report at: www.freshfel.org





Freshfel Membership



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Overview

- Organic facts and figures
- Main points of the regulation proposal and the organic action plan
- Freshfel's position
- What happens now?
- A curse or a blessing? Perspectives for the sector



Facts & figures on fruit and vegetables

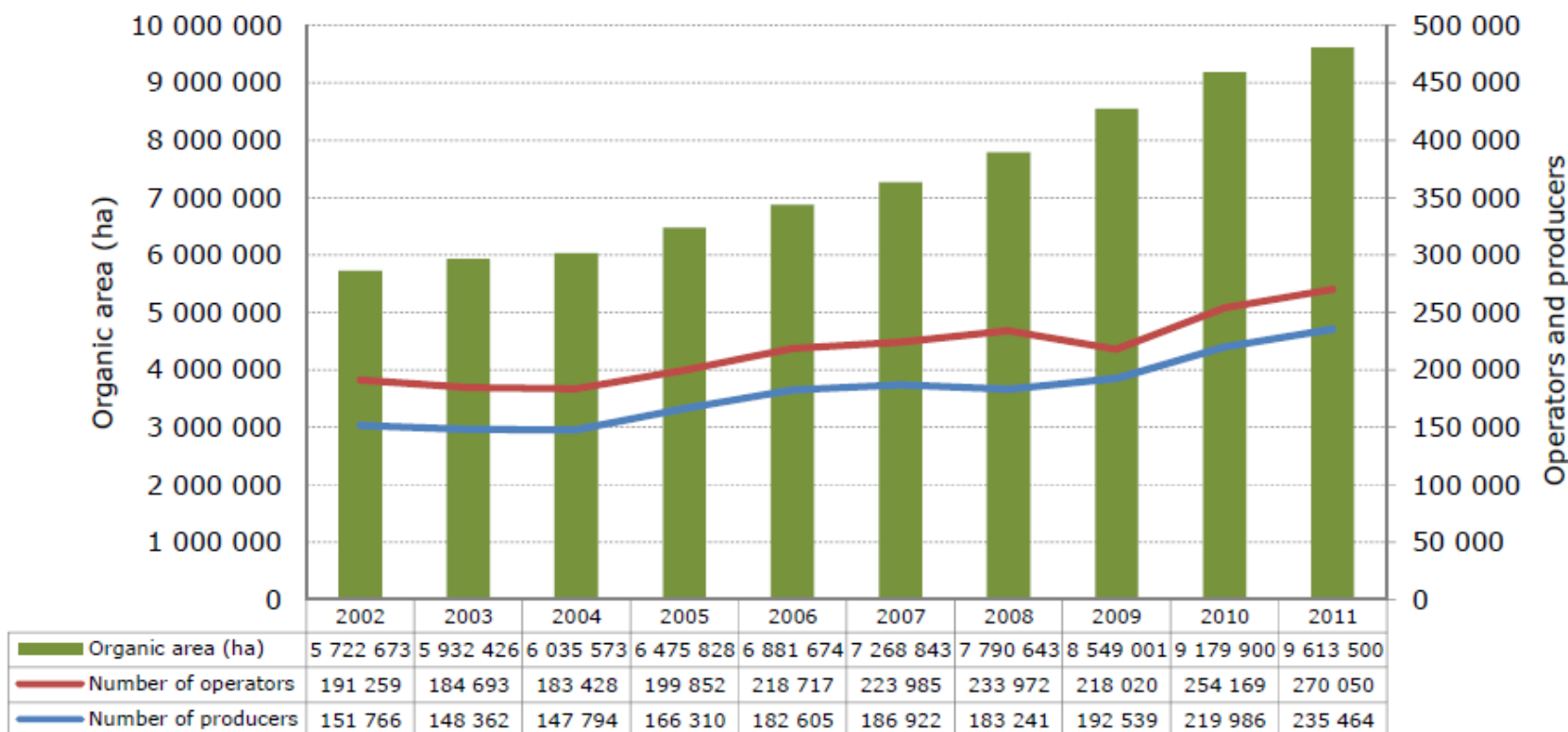
EU28	Conventional	Organic
Production quantity (2012)	82 million T	Between 2 and 3 million T?
Intra-EU trade (2013)	27 million T	
EU imports	13 million T	Between 1 and 2 million T?
EU exports	5.9 million T	
Value of the sector	About 120 million EUR/year	Between 5-7% of the conventional market?

Statistics on production and trade of organic products suffer from inaccuracies and lack of reporting. This could change with the new EU regulation

Organic agriculture in general

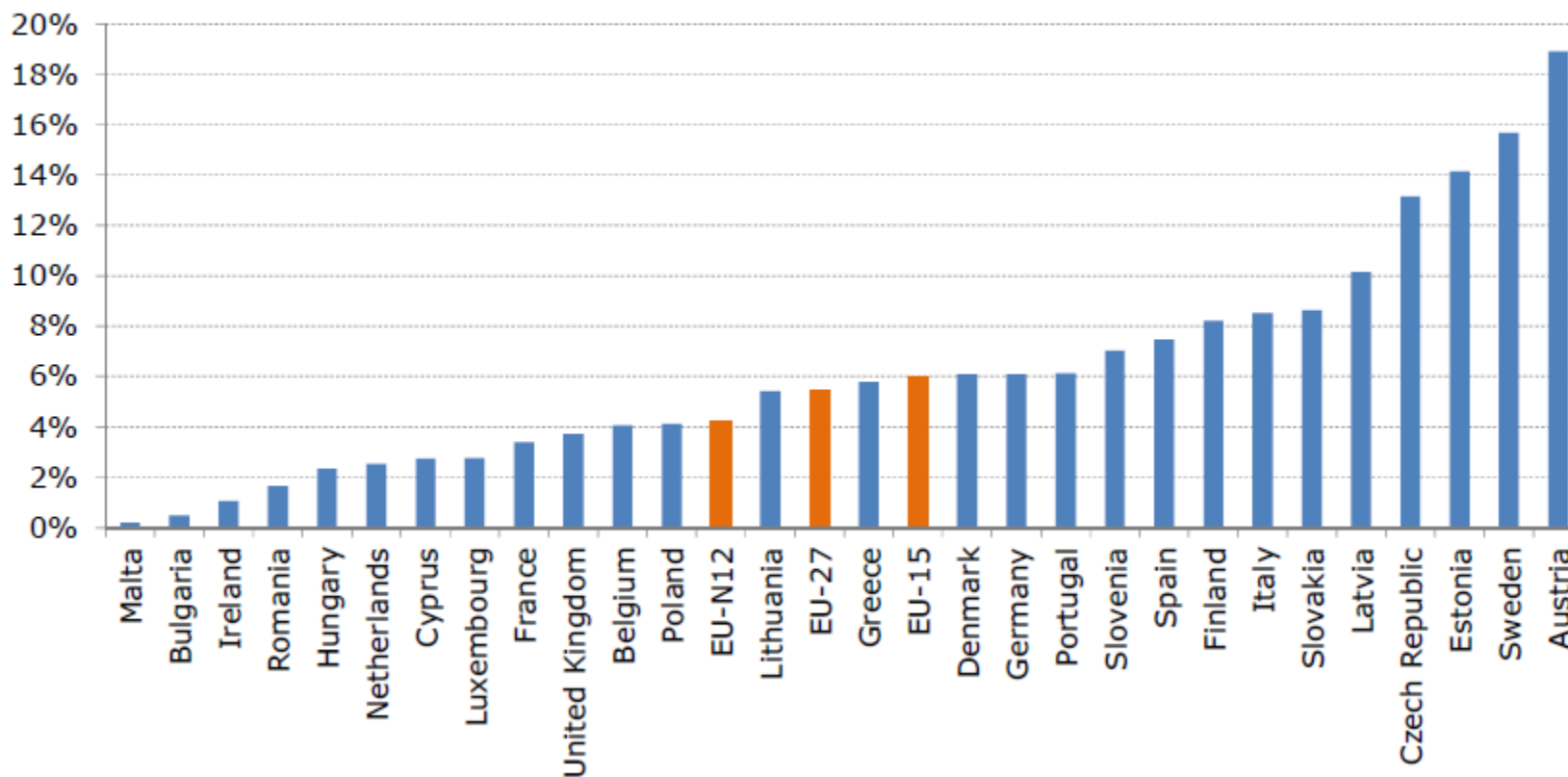
- The number of organic farms and organic acreage continue to increase

Graph 13. Evolution of the area, operators and producers involved in the organic sector in the EU-27*



Distribution of organic farmland in EU member states

Graph 4. *Share of the organic area in the UAA in the EU Member States, 2011*

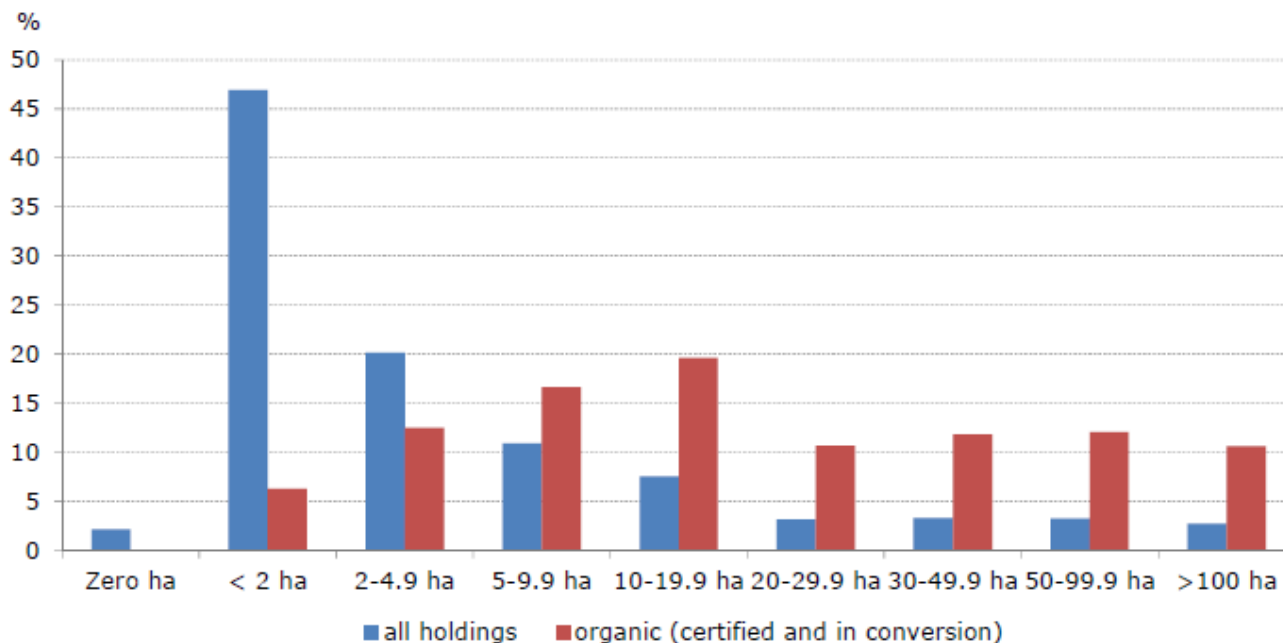


UAA: utilised agricultural area

Organic agriculture in the EU

- 78% of the organic land and 83% of all organic farms are in the EU-15 (Western Europe)
- Organic holdings are on average larger holdings

Graph 16. Share of holdings in different size classes (organic and all), 2010



Source: Eurostat FSS data (online data code: [ef_mporganic](#)).



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The new EU regulation proposal



Main content of the legislation proposal

Tighter rules on pesticides

If any residues of unauthorised pesticides are found, the product cannot be marketed as organic

Group certification

Farms with less than 5 ha can benefit from a group certification scheme

100% organic or not organic at all

The **entire production** of the farmer should **become organic**. Parallel production should no longer be possible. By the end of 2021, farmers can **no longer use non-organic seeds**

Organic certification for the entire chain

Not only farmers and traders but also retailers should be obliged to get organic certification and be regularly inspected

Official controls based on risk

Annual farm inspections should be abolished and replaced by checks at least once every three years based on a risk assessment

New environmental performance certificate

All supply chain members except farmers and micro-enterprises should monitor their environmental performance

Main content of the legislation proposal

Import system:

Shift from equivalency to compliance

Unilateral recognition of country systems or individual control bodies as equivalent is abolished

Update of existing equivalence agreements

The countries currently recognised as equivalent have to make these agreements bilateral

New electronic organic certificates

These certificates will speed up import procedures and help to get better understanding of the trade flows

Equivalency becomes a two-way street

In future, country systems will only be recognised as equivalent in exchange for reciprocal recognition of EU system

EU rules apply in absence of equivalency

Where no equivalency agreement is in place, third country producers & traders need to obtain certification based on EU rules



Delegated and implementing acts

- The Commission proposal contains **42 references to further delegated or implementing acts** to be drafted by the Commission. The Commission can in principle only start proper work on these if Council & Parliament agree on the delegation of powers – but Council & Parliament want to include specific rules into the basic act

Article 10

Plant production rules

In order to ensure quality, traceability and compliance with this Regulation as regards organic plant production and adaptation to technical developments, the Commission shall be empowered to adopt delegated acts in accordance with Article 36 amending or supplementing the specific plant production rules as regards:

- (a) cultivation practices;
- (b) soil management and fertilisation;
- (c) plant health and management of pests and weeds;
- (d) management of mushroom production and other production systems;
- (e) the origin of plant reproductive material;
- (f) the collection of wild plants.

Article 20

Presence of non-authorised products or substances

Products in which the presence of products or substances that have not been authorised in accordance with Article 19 is detected beyond the levels established taking account in particular of Directive 2006/125/EC, shall not be marketed as organic.

In order to ensure the effectiveness, efficiency and transparency of the organic production and labelling system, the Commission shall be empowered to adopt delegated acts in accordance with Article 36 regarding the specific criteria and conditions for the application of the levels referred to in paragraph 1 and regarding the establishment of those levels and their adaptation in the light of technical developments.

Pending issues

**Greenhouse
production**

**Further
harmonisation of the
common market**

**Growing media,
fertilisers and soil
conditioners**

Main content of the action plan

The action plan lists
18 concrete actions
that pursue three
main objectives:

- increasing awareness of existing EU instruments for organic production
- addressing technical gaps in organic production (i.e. by supporting more research)
- increasing information about the organic sector

Some of the
proposed actions:

- development of an electronic certification system for import, integrated into the [TRACES system](#) → this will allow the Commission to see the trade flows, and **the Commission will publish statistical reports every two years**
- training activities to develop an organic fraud prevention policy in the member states
- exploring possibilities to gather and analyse statistical data on the volume and value of trade with third countries



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Freshfel's position



Minimising contamination

As it stands, organic farmers who play by the rules will be punished for pesticides sprayed by their neighbours; tighter rules on pesticides mean that many products grown organically can no longer be sold

→ **Delete this proposal and focus on identifying and minimising source of contamination**

No obligation to be 100% organic

Bigger producers will simply split into two holdings, while smaller producers may be forced out of the market. As a result, there will be fewer and bigger companies in organic agriculture.

→ **Delete this proposal**

Organic certification for the entire chain

This will improve confidence in the supply chain and prevent fraud

→ **Maintain this proposal**

No new environmental performance certificate

This is an additional certification obligation without a clear purpose or benefit for the sector

→ **Delete this proposal**



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Freshfel's position



Official controls based on risk

This could facilitate organic controls, but it should be conditional of the inclusion of all organic operators into a database that is made available to the sector. Specific reports on organic controls should be available

→ **Maintain this proposal**

Group certification

This system should be available for farmers regardless of their size

→ **Modify this proposal**

Participation of the sector

Experts of the fruit and vegetable sector should be consulted in technical hearings before specific legislation on production rules and pesticides is proposed

→ **Include this proposal**

Trade system

Freshfel supports the Commission proposal to base the trade system on reciprocity. Countries able to negotiate equivalency agreements can also recognise the EU in return. Equivalency negotiations should only be concluded if no phytosanitary hurdles block EU exports.

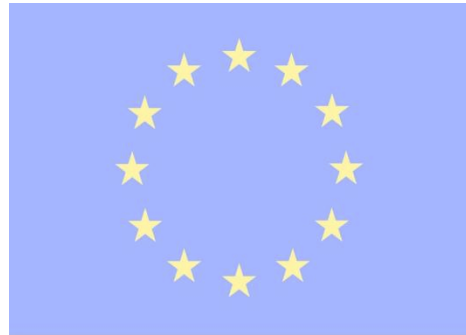
→ **Maintain this proposal**

Electronic certificates

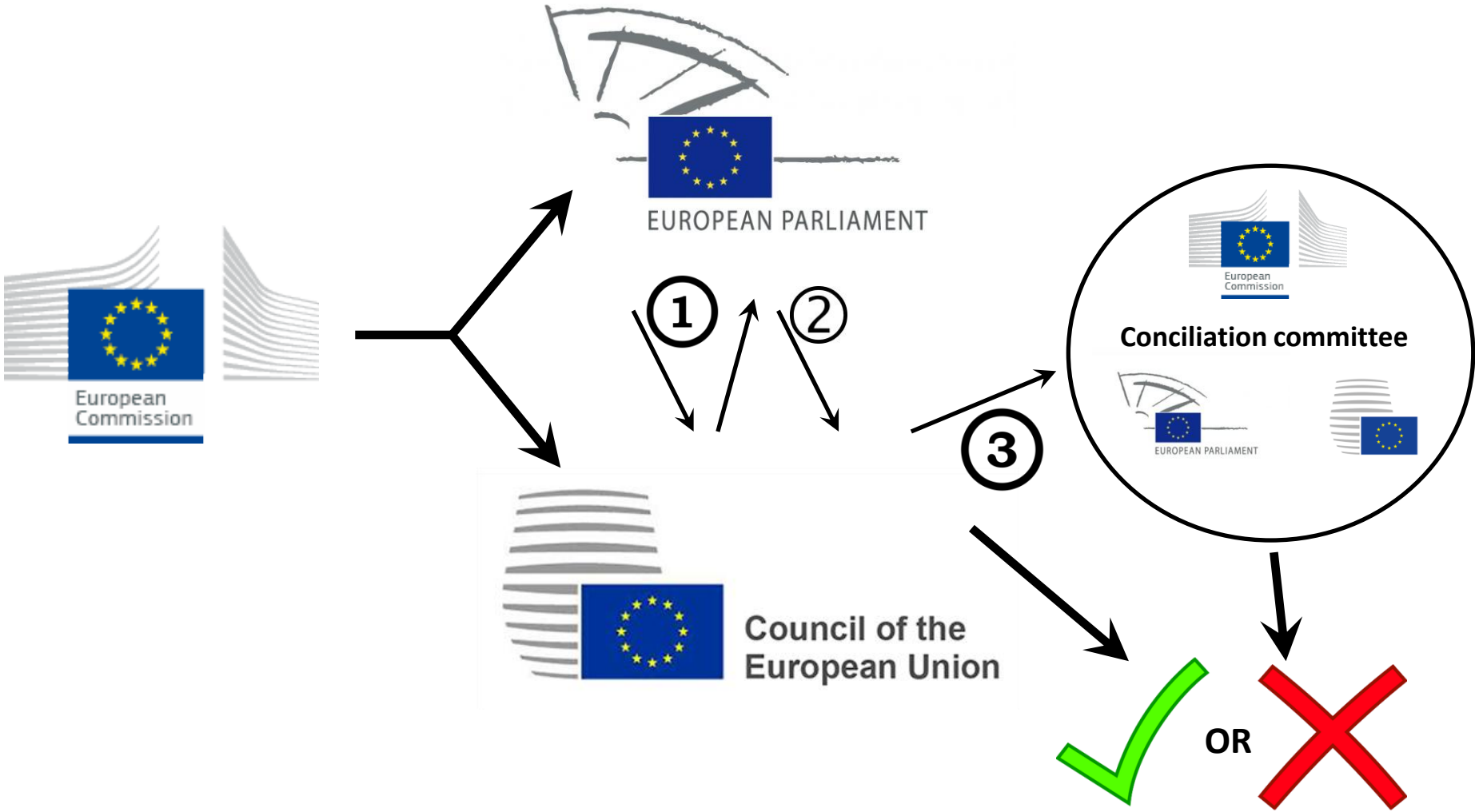
This will make it possible to track and understand the trade flows of organic products for the first time

→ **Maintain this proposal**

The proposal is out – what happens now?



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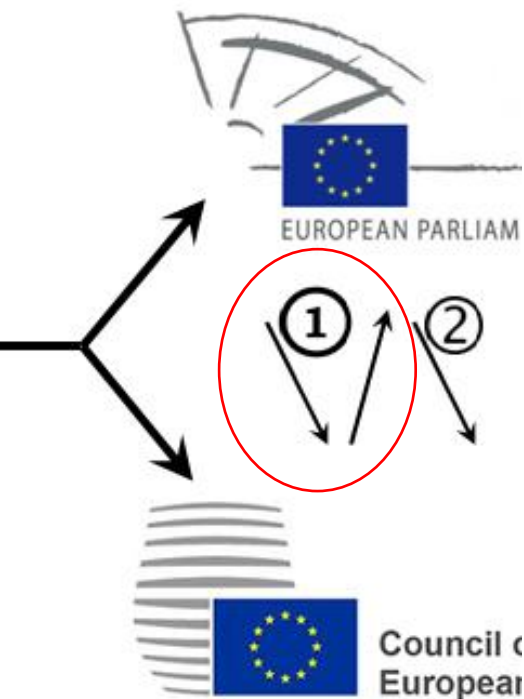
In December 2014, the Commission almost cancelled its proposal of the organic farming reform.

But the EU member states (the Council) said that they want to continue working on the existing proposal of the Commission



The Commission kept the proposal but said it will withdraw it if Council and Parliament cannot find an agreement within six months (i.e. by the end of June 2015)

The proposal is out – what happens now?

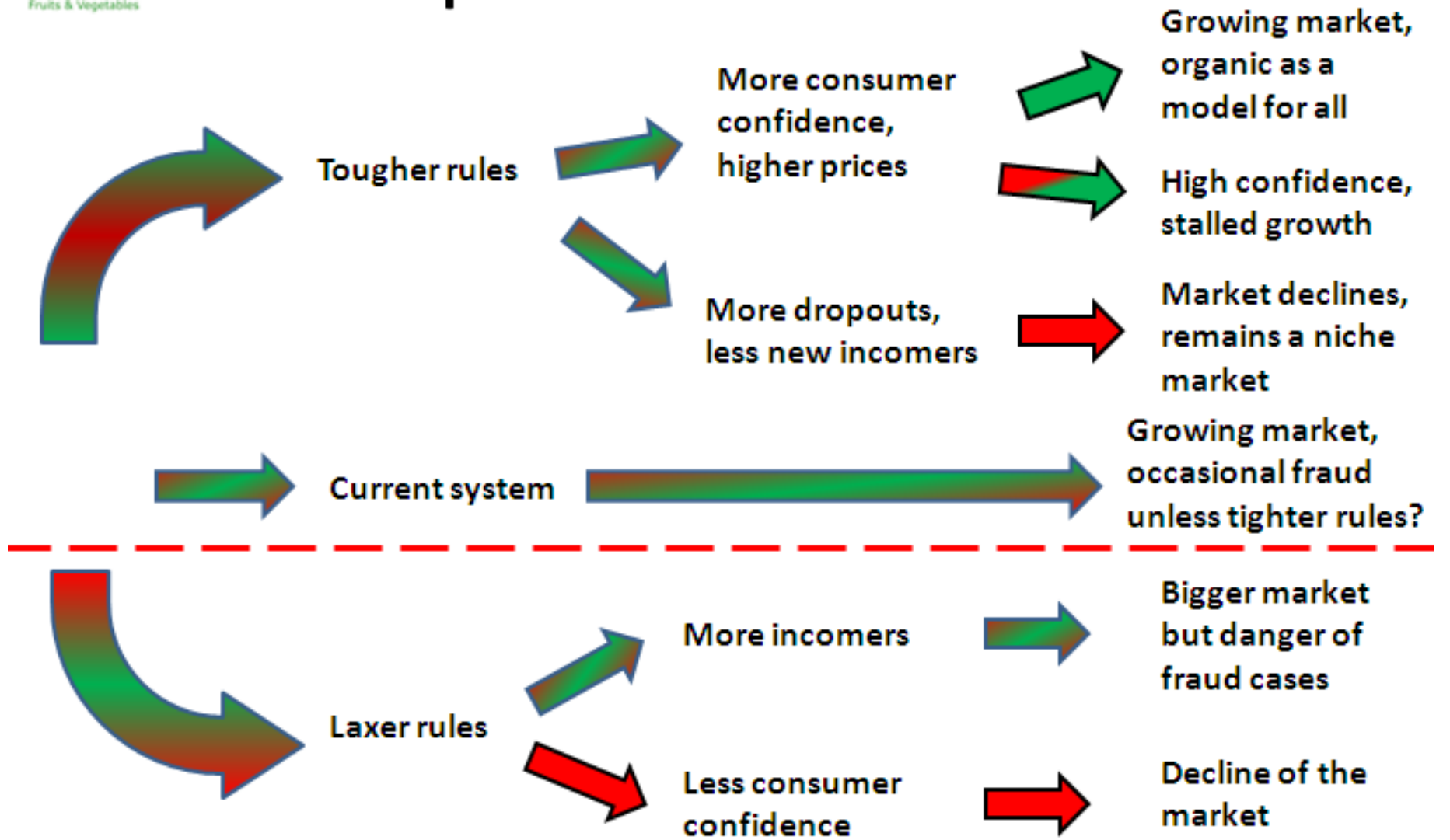


- European Parliament
 - January/February 2015: Discussions of the regulation proposal in the Agriculture Committee of the EP
 - May 2015: Expected vote on the report in the Agriculture Committee
 - June 2015: Expected vote on the report by the EP plenary
- Council of Ministers (under Latvian presidency)
 - Ongoing discussions on the reform
 - In December the Council came close to finding agreement on the first 19 of the 45 articles in the proposal
 - Much work remains to find agreement within Council, and later with the European Parliament
- Mid-2017: Expected entry into force of the regulation

Will there be an agreement by the end of June 2015?

A curse or a blessing?

Perspectives for the sector



Thank you for your attention!

Open for questions and debate

André Feldhof
Freshfel Europe

www.freshfel.org

www.enjoyfresh.eu

www.kidsenjoyfresh.eu

www.freshquality.eu