European Commission

"The new EU Regulation on Organics: what future impact will it have on the market and for the producers? More democratic or restrictive?"

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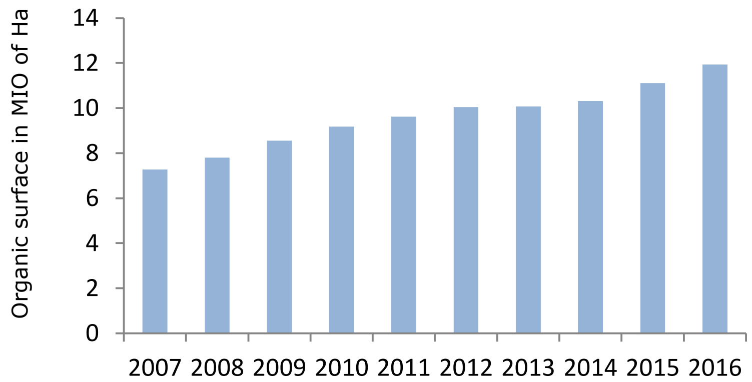
EUROPE: ORGANIC EVOLUTION 2007-2016

+63% in the decade 2007-2016

In 2016, almost 0.85 million hectares more were reported compared with 2015.

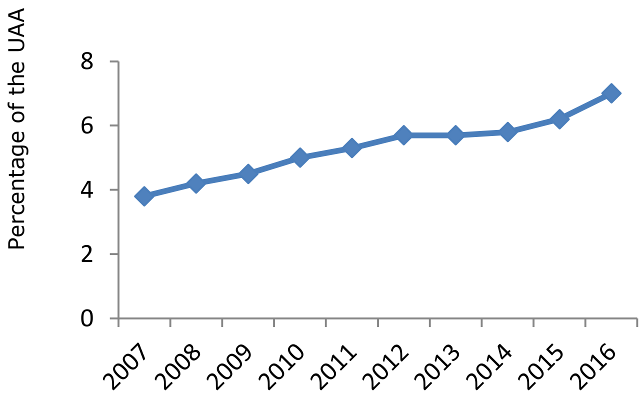


European Union
11.9
Million ha (2016)

Increasing relevance in terms of UAA in the last decade to reach almost 7% of the total Utilised Agricultural Area

6,7%

of EU farmland is organic



Nine countries have 10% or more of their agricultural land under organic management.

EUROPE:
ORGANIC RETAIL SALES 2016

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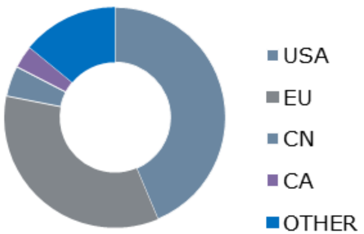
European Union
30.7 bio €

The European Union (30.7 billion €) is the second largest single market after the US (38.9 billion) and followed by China.

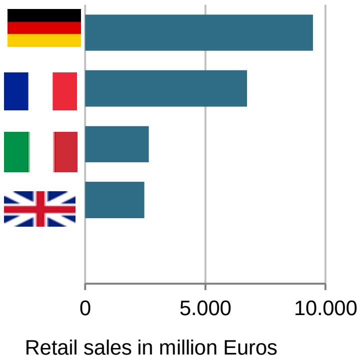


Distribution of retail sales value worldwide by country 2016

15 years ago organic market value: around 5 bio €

Germany
9.5 bio €

The European countries with the largest markets for organic food are Germany (9.5 billion €), France (6.7 billion €), Italy (2.6 billion €), and the UK (2.5 billion €).



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Source: FiBL survey 2018 www.organic-world.net

THE ORGANIC REFORM:
A LONG STORY

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2014	2015	2017	2018	2021
Com. proposal	EU Council General Approach Amendments voted in EP plenary	Political compromise and endorsement	Vote in the Council and EP + Publication in the OJ	Date of entry into application

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Why a new regulation?

- ***Certain provisions are 20 years old, did not forsee the incredible development of the organic sector.***

- ***Many gray areas; growing number of requests for the legal interpretations of certain provisions.***

- ***Too many derogations granted on a case-by-case basis; too many discrepencies on the application of the rules between Member States.***

- ***Increasing risk of formal complaints being introduced by some operators against unfair competition.***

- ***Current regulation not in line with the Lisbon treaty.***

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Why the reform took so long?

- ***Wide varieties of views and positions between the three European Institutions, Member States and within the sector.***

- ***Several issues on which it was difficult to find an acceptable compromise for all parties: pesticides, controls, cultivation in greenhouses using demarcated beds.***

- ***Final outcome: balanced compromise between fundamental principles of organic production maintaining certain flexibility for operators.***

"More democratic or restrictive?"

NEW REGULATION:

CLEAR AND UNIFORM RULES FOR <u>EVERYBODY</u>

THIS IS NOT A MARKETING LOGO

THE ORGANIC REFORM: THE ADDED VALUE

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<u>Harmonisation</u>:

- ***end of à la carte derogations;***
- ***level playing field for organic producer, within the EU and vis-à-vis third countries (compliance);***

<u>Simplification</u>:

- ***group certification for small producers reducing certification costs and administrative burden;***
- ***risk based controls aiming to reduce administrative burden.***

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Moreover…

Clarification:

- ***end of grey area in the control system;***
- ***a robust control system with clearer rules;***
- ***definitions.***

Production rules

- ***Harmonisation of certain provision: parallel farming, authorisation of substances.***
- ***Organic heterogeneous material (material that does not belong to a variety but rather to a plant grouping with a single botanical taxon presenting higher genetic variability for a better adaptation to different agronomic realities)***
- ***Clarification of the status of greenhouses: creation of a transitional period for certain Countries.***
- ***Simplification of certain production rules***
- ***New rules for rabbits and cervine animals and for insects***
- ***Introduction of new products and possibility to extend the scope to new products.***

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Unauthorised products and substances

- ***The fundamental principles remain the same: the use of non-authorised products and substances is prohibited.***

- ***Towards a more harmonized approach: proportionate and appropriate precautionary measures under the control of organic farmers to minimize the risk of accidental contamination.***

THE ORGANIC REFORM: UNAUTHORISED PRODUCTS AND SUBSTANCES

- ***It outlines the approach to be followed by the competent authorities when they receive information that raises suspicion of presence of non authorised pesticides.***

- ***MS with a threshold system will be able to keep it provided the Internal Market is not affected.***

- ***Report on unauthorised substances including the assessment of the national provisions and the precautionary measures taken by operators.***

THE ORGANIC REFORM: CONTROL RULES

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- ***Organic farming is explicitly part of the scope of the new EU Official Food and Feed Control Regulation.***

- ***Principle of the annual control maintained: still possibility for MS to define a risk profile to possibly exempt operators from on the physical on-the-spot.***

- ***Group certification for small operators.***

- ***Control on retailers for unpacked products.***

THE ORGANIC REFORM: PROCESSING

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- ***New provisions on the authorisation of non-organic ingredients of agricultural origin.***

THE ORGANIC REFORM: TRADE

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- ***Provisions for the exports of organic products***
- ***Compliance, specific provision for substances***
- ***Reinforced powers in relation to CB and goods***
- ***Current arrangements => bilateral trade agreement***

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