



# The Organic Targets Bill Campaign

## An outline Organic Action Plan – A discussion document

August 2001

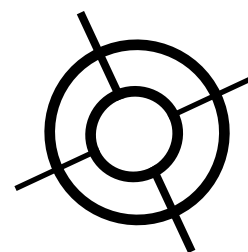
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### Steering group

- Elm Farm Research Centre
- Friends of the Earth
- HDRA – The Organic Organisation
- Pesticides Action Network-UK
- Soil Association
- Transport & General Workers Union (RAAW)
- UNISON
- WWF-UK
- **Secretariat:** Sustain: The alliance for better food and farming



### The Organic Targets Bill Campaign

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# 1. Introduction

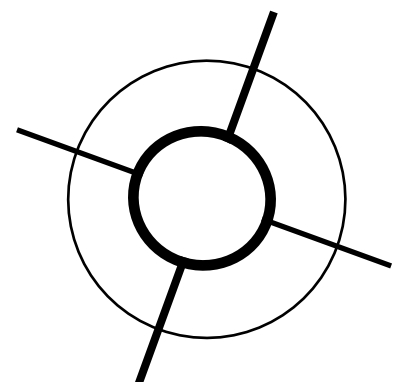
Demand for organic farming has never been higher, as consumers have become increasingly aware of the price they are paying in environmental and health terms for intensively produced food. The environmental benefits of organic farming are well known and are one of the justifications the Government and the EU gives for supporting organic farmers. Significant growth in organic farming is technically and economically feasible, but with only 3% of the UK's farmland organic, farmers in neighbouring countries are reaping the benefits while our farming industry is in deep crisis. The Government must recognise the major benefits to be gained from a large percentage of the country's agriculture becoming organic: it will make a significant contribution to meeting the Government's ambitious farmland biodiversity commitments; it will benefit the economy from a significant reduction in the external costs of agriculture (estimated to be at least £2.3 billion annually) and it will benefit the rural economy and animal welfare.

It is time for our Government to act so that the UK does not continue to lose out - an action plan for organic farming is urgently needed which sets the sector on a path of sustainable and significant growth. The Organic Food and Farming Bill calls for 30% of farmland in England and Wales to be organic and 20% of food marketed to be organic by 2010 - this is achievable but not without the right support.

An action plan is essential to ensure that the sector develops sustainably rather than with the damaging boom and bust economic cycle so often seen in British farming. It will also enable organic food to become more accessible to people on low incomes. An action plan is also required to reduce the level of organic imports to the UK - 85% for fruit and vegetables – and to ensure a level playing field for UK farmers as other European farmers benefit from greater Government support.

European Agriculture Ministers, including the UK's Junior Minister Elliot Morley MP, recently signed a declaration in support of a European action plan. In addition, eleven other European countries have developed their own action plans and objectives or targets. Their experience suggests that if adequate organic supplies are to be developed a mixture of government supply side "push policies" and market "pull" is required.

This paper suggests ways of developing an action plan. It presents the main barriers to the development of organic food and farming that the action plan should address and puts forward some possible solutions. It is a discussion document and we urge the Government to initiate the preparation of an action plan as soon as possible.



## 2. Linkages

To ensure that the organic sector grows in a structured and sustainable way a main feature of the plan must be the linkages between the different barriers. The key linkages that will need addressing in an action plan include:

- keeping production and market growth in balance
- linking supply chain improvements with the development of local and regional marketing
- production and information services
- production and standards development
- livestock and arable production
- upland and lowland livestock production

## 3. Barriers

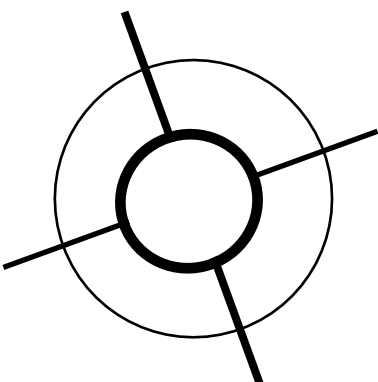
The main issues to be addressed by the action plan will be the barriers holding back the growth of the organic sector, which fall into six categories:

- Information
- Supply chain
- Market development
- Financial support for production
- Standards development
- Social and institutional

The Organic Targets Bill Campaign believes that these barriers can be overcome with the right support from Government and other key players, including retailers.

### 3.1. Information

Inadequate market information as well as a lack of research and development (R&D) into organic farming is hampering the balanced and stable development of the sector. Information is a key factor in organic farming as it is a knowledge intensive farming system. At present there is insufficient training capacity, farmer courses, and access to technical information to enable the sector to grow to 30%. Farmers may also be unwilling or unable to pay for advice. Public sector investment is currently one of the lowest in Europe.



Farmers should be encouraged to commit to advice and training before embarking on organic conversion. More research is needed to build on the strengths of the organic farming system and develop best practice, as well as to address some of the potential issues of organic farming, such as replacing external inputs.

For the action plan, work is needed to identify the priority R&D needs and plan the expansion of the training and information services needed to facilitate sector growth to 30%.

*The action plan could include:*

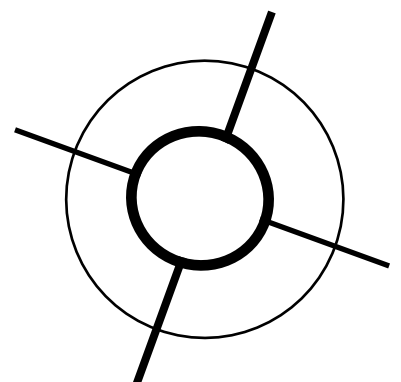
- **an increase in the organic research budget to 30% of the Government R&D budget**
- **support for the efficient dissemination of organic research results**
- **development of an initiative for the national supply of organic market information**
- **development of regional support centres to provide farmers with access to technical and marketing support**
- **making advice and training an integral part of organic conversion, including market planning**
- **identification of training needs of farmers, and embark on long-term action to fulfil them. This could include a mentoring system**

### 3.2. Supply chain

Bottlenecks exist throughout the organic supply chain including the lack of organic seed, feed and local abattoirs. The slow conversion of some sectors such as arable and horticulture is also a problem. More importantly, at present, the existing distribution networks do not cater for the scale and requirements of organic production and are not the right structure for developing local and regional marketing. The action plan should focus on developing local and regional distribution networks for organic produce.

Due to the current shortages and inconsistencies of supply, much of the multiple retailer supply comes from overseas. As organic food becomes mainstream, there is a danger that retailers will squeeze prices to organic farmers as they have with non-organic producers.

EU quality standards for fruit and vegetables were developed with non-organic fruit and vegetables in mind. They are not always appropriate for organic food which may be less uniform in shape and size, and is sometimes smaller.



Preparatory work would need to identify the key bottlenecks and plan the growth in the supply of organic inputs (for example organic feed), and processing facilities to support the planned production growth.

*The action plan could include:*

- **development of a network of local abattoirs**
- **regional initiatives for the development of marketing co-operatives and other collaborative projects for each sector**
- **development of statutory rules governing the relationship between retailers and organic suppliers**
- **amendment of EU fruit and vegetable standards to take account of low input farming systems including organic**

### 3.3. Market development

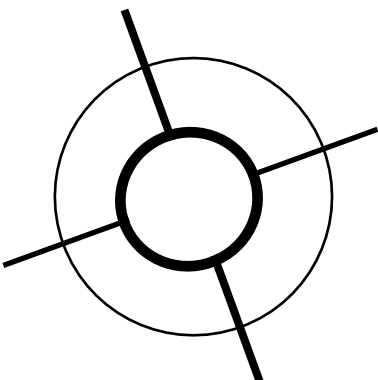
Market development is very important in order to ensure a viable organic sector and to avoid oversupply and drop outs from conversion. Sales of organic food grew by 55% in 1999, but maintaining a high level of market growth to reach at least 20% of the total food market will rely on maintaining consumer confidence in organic food and developing the market base.

This can be addressed through production and supply chain efficiencies, improving access through local/regional marketing, and Government support for organic production. The market can also be developed through regional branding and by connecting the public with farming. There is therefore a particular need to significantly strengthen and develop local markets for organic produce.

Public purchasing should also form a key part of the action plan: it accounts for a significant percentage of all trade and is currently undergoing a 'greening' process. This is an important market opportunity. In Italy such market development has been very successful with 100 schools serving organic meals and regional legislation encouraging use of local and organic ingredients in public sector catering.

There is currently a general situation of under-supply of organic products that leads to high retail prices for many organic products in supermarkets. These high prices are a barrier for reaching the target and increasing consumption among people on low incomes.

A major aspect of market development will be the further identification and promotion of the benefits of organic and local food consumption. These could include the food safety and nutritional aspects, animal welfare, taste, and social



benefits. Both formal and informal education and awareness raising need to be addressed.

*The action plan could include:*

- **adoption of public-purchasing policies for organic food by public bodies and agencies such as schools, hospitals, prisons, civil service and local authorities**
- **regional initiatives for local and regional distribution of organic food (for example farmers' markets, box schemes, community supported agriculture, links between schools, hospitals and local farmers)**
- **further development of network of organic demonstration farms for visits by schools and the general public**
- **the inclusion of modules on food production and nutrition in the national curriculum**
- **an advertising campaign and public information on organic farming principles, practices and benefits**

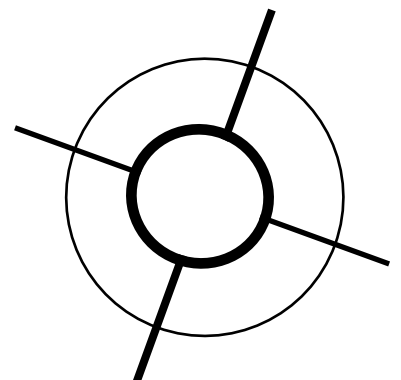
### 3.4. Financial support for production

The under-funding of the Organic Farming Scheme (OFS) is restricting the growth of the organic sector and limiting the environmental gains that would result from more organic farming. Rates are inadequate for many sectors, especially arable and horticulture.

UK producers cannot compete with producers in other EU countries where funding is higher and substantial post-conversion funding is available. Organic farmers are also at a disadvantage compared to non-organic production because of the hidden 'subsidies' for the external costs of conventional agriculture, such as pesticide clean up, which is paid for by water companies and ultimately the tax payer. UK funding has also been inconsistent.

In order for the retail market to develop, the retail premium prices for organic food need to come down gradually, but this must not be at the expense of farmers receiving prices that cover the true costs of production and the investment required to enable production in accordance with organic principles.

It is important that production support ensures a balanced development of the different organic sectors (for example livestock, arable and horticulture; upland and lowland livestock). The type of funding could also be addressed. For example, it may be more appropriate for some costs to be covered by capital grants, such as manure storage and composting facilities.



For 30% of farmland to be organic by 2010 in England and Wales, the Government must adopt a strategic approach to supporting the sector and ensure organic farmers in the UK are competitive with those in other EU countries.

The preparation of this part of the action plan will need to include an analysis of the percentage of each sector that is needed at each stage of the plan to ensure that UK organic production is balanced and stable.

*The action plan could include:*

- **provision of sufficient funding for the Organic Farming Scheme (OFS) to ensure that 30% will be organic by 2010, and to ensure funding is available throughout the year**
- **targeting of different sectors with different rates reflecting the cost of conversion**
- **development of proposals for stewardship schemes, providing on-going support. They should be based on the public benefits that organic farming provides**
- **developing capital grant schemes for conversion**

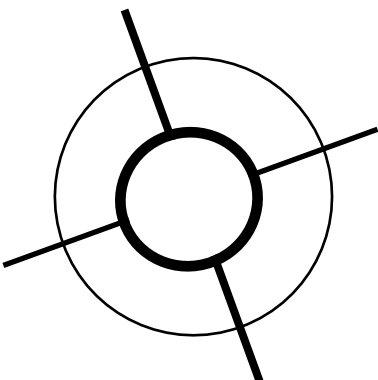
### 3.5. Standards development

Issues relating to the organic standards include the many different organic standards and authorising bodies, consumer confusion, equivalence of standards for imported produce and the potential for a dilution of standards because of larger companies entering the organic sector. As a key foundation of the growing market, standards development needs to continue and take place in line with best practice and new information, so that consumer trust in the integrity of organic produce continues.

Therefore there is a need for greater support for standards development and to encourage collaboration between standards developers and certifiers both within the UK and abroad. The role of the organic movement in maintaining and developing standards must be recognised in all official processes.

*The action plan could include:*

- **improvement of decision-making processes for legal standards development nationally and internationally, in partnership with the organic movement**



- **development of a network on standards development within and between EU Member States**
- **public education and information on the organic standards**

### 3.6. Social and institutional

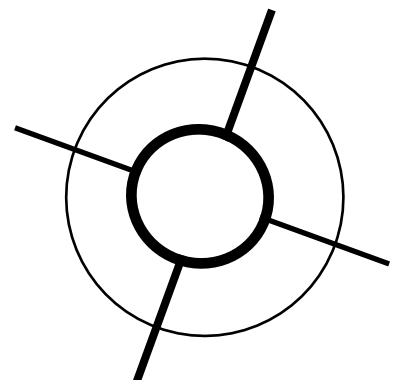
Overall, the attitude of the agriculture establishment may be one of the biggest challenges for the development of UK organic farming. Barriers to conversion include farmers concerns about the opinions of other farmers, institutional attitudes within Government ministries and agencies, and the influence of the agrochemical industry. These social and institutional barriers need to be addressed to encourage more farmers to go organic and lead to the acceptance and understanding of the aims, benefits and techniques of organic production.

*The action plan could include:*

- **a communication initiative within the farming sector for both policy makers in Government and practitioners, including training, events, secondments, seminars, combined with visits to organic farms**
- **the review of all government literature on agriculture to ensure inclusion of information and promotion of organic farming as an option.**
- **further development of a network of demonstration farms to provide farmers with examples and contact with successful organic farmers**
- **development of a network of regional centres to provide local support to farmers considering and undertaking conversion**

## 4. Developing the action plan

To develop the action plan a "task force" or steering group could be set up, similar to that in Wales and Northern Ireland, made up of representatives of the whole of the food chain and key interest groups. For each area an expert could be contracted to consult widely and prepare proposals. They should work in close co-ordination with each other and under the guidance of the task force.





## 5. Funding the action plan

Funding for the action plan will require new funds, or the transfer of funds from other areas.

### Reform of the Common Agricultural Policy (CAP)

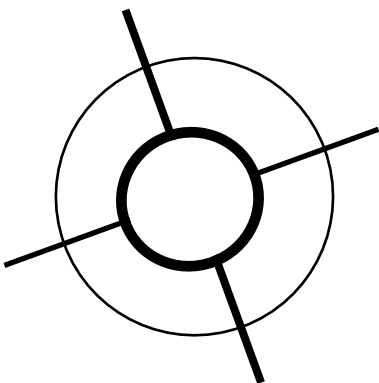
CAP payments should be moved away from production related subsidies towards paying farmers for public goods, such as the environmental improvements brought about by organic farming systems.

### Transfer of funds

Increasing the money raised from "modulation" (removing some of the production related subsidies currently paid to farmers) would provide more funding for the Rural Development Programme that could be used to support organic farming.

### Taxation on inputs to conventional farming

A pesticides tax could help fund more environmentally friendly farming practices in all farming systems, including organic. The ECOTEC study, commissioned by the Department of the Environment Transport and the Regions (DETR), predicted that £84 - £131 million per year could be raised from a pesticides tax in the UK.

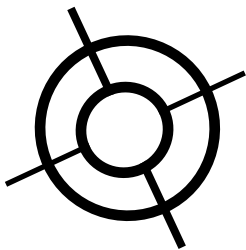


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## The Organic Targets Bill Campaign

The aims of the Organic Targets Bill are to ensure:

- a strategy or action plan is put in place for organic farming;
- 30% of land in England and Wales is organic by 2010;
- 20% of the food marketed in England and Wales is organic by 2010;
- organic food becomes more accessible to more people;
- the availability of locally produced organic food increases.



# An outline Organic Action Plan for England and Wales – A discussion document

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