The ⊙rganic Food and Farming Targets Bill Campaign

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AGRICULTURE SELECT COMMITTEE INQUIRY INTO ORGANIC FARMING: RESPONSE FROM THE ORGANIC FOOD AND FARMING TARGETS BILL CAMPAIGN

1. Introduction

The Steering Group of the Organic Food and Farming Targets Bill Campaign welcomes the timely inquiry of the Agriculture Select Committee into organic farming. Our response to the inquiry will focus on why a strategy and targets are urgently required for the organic sector. We believe the setting of targets and the formation of an action plan for the organic farming sector should form a major part of your inquiry.

2. Our purpose

The Campaign has drafted a Bill that aims to encourage government to set targets that ensure that 30% of agricultural land will be organic by 2010 and that 20% of the food that we consume will be organic by this date. However, the Bill is not just about adopting targets. The targets are a means to an end – the creation of a long-term strategy or "action plan" for the organic sector, which will make organic food more accessible to all sectors of society and create quality jobs in an environmentally sustainable agriculture industry.

3. Who do we represent?

The steering group for the campaign consists of Elm Farm Research Centre, Friends of the Earth, Henry Doubleday Research Association, Pesticides Action Network-UK (formerly Pesticides Trust), Soil Association, Transport & General Workers Union (RAAW) and UNISON. Sustain: the alliance for better food and farming, is the secretariat for the campaign.

69 organisations, ranging from supermarkets to statutory agencies such as the Countryside Agency, environmental groups and trade unions, have also indicated their support for the campaign and over 200 MPs have already signed up to the Early Day Motion (no. 51) that relates to the Bill. Between the Steering Group and those organisations that support the Bill we represent an estimated two million people.

4. Why an action plan and targets are required for organic farming

4.1. Sustained growth of the sector

A detailed strategy and action plan for organic farming will help the sector develop smoothly, via sustained growth, rather than in fits and starts. The targets, coupled with a strategy, would also give the confidence to growers, farmers, retailers and investors that the organic sector is set on a course of growth and that they can enter the sector with confidence.

In drawing up the strategy, the government would be able to address the many infrastructure problems and gaps that are holding back the growth of the organic sector. The gaps that exist include training, market development, infrastructure, transport and technical research. Examples of current problems are outlined below:

- Charges for small abattoirs threaten their survival and in turn this threatens the viability of organic producers who rely on small, local abattoirs.

- The severe shortage of organic seed commercially available to UK farmers is stifling the growth of the organic market, holding back both the organic cereal and livestock market.

- In sectors such as horticulture, conversion costs are higher but this is not acknowledged in the current Organic Farming Scheme.

4.2. Sustained financial support

The "stop-start" funding approach taken by the government has limited the development of the organic sector severely. Since the closure of the organic farming scheme (OFS) in November 1999, the Soil Association reports that there has been a significant decline in conversion to organic production of around 50%. This means that other countries are accruing the environmental, economic and social benefits that organic farming brings, while the UK farmers who want to convert have to wait until April 2001 when the OFS is due to reopen. The lack of funding also has knock on effects on organic processing facilities such as dedicated organic processing feedmills.

Compared to conventional farming, organic farming receives very little government support. For example, payments under the Common Agricultural Policy in 1997/1998 specifically for organic farming amounted to £3,582 million. Organic farming received £0.8 million of this which equates to 0.02% of the payments.[1]

The £20 million per year that will be available from the Organic Farming Scheme under the Rural Development Regulation for the next seven years gives some stability to the market, but we estimate that to satisfy the demand from farmers that currently exists, at least £32 million is needed per year. In order to meet the target of 30% by 2010, the OFS yearly budget needs to be around £90 million per year.

4.3. Reducing reliance on imports

Targets will spur government action to encourage the increased organic production needed to reduce the current high level of organic imports. The UK currently imports around 70% of the organic food sold here, and in 1999 we imported over 80% of the organic fruit, vegetables and herbs sold in the UK.[2] There is obviously scope for the UK to produce more organic food domestically but the lack of a clear government strategy and long-term vision prevents a larger proportion of the growing demand being met by UK production. Demand for organic food is growing at 40% whilst supply is growing at 25%.[3] If the UK does not take advantage of the increase in demand in organic farming and food, other countries will continue to target the UK market.

4.4. Experience of other European countries

Many other European countries have set targets for organic agriculture (see table 1 below). Not only have they set targets but they have also written integrated policy programmes or action plans for the organic farming sector in order to ensure that the targets are reached.[4]

Table 1, Countries in Europe who have set targets

Country	Target	% Utilised agriculture area organic when target set	% Utilised agriculture area organic at end date of target	% Utilised agricultural land organic 1999/2000[5]
Sweden	**10%** by 2000 **20%** by 2005	1.59%* (1994)	**7.6%*** [#] **N/A**	**7.6%***
Austria	**10%** by 2000 (NGO target**)**	9.7% (1995)	**8.7%**	**8.7%** [#]
Denmark	**7%** by 2000	1.5% (1995)	**5.89%**	**5.89%**
Finland	**5%** by 1999	3.25% (1996)	**5.26**%	**5.26%**
Norway	**5%** by 2000	0.57% (1995)	**1.87%**	**1.87%**
France	**3-5%** by 2005	0.55 (1997)	**N/A**	**0.83%**

* This figure is for combined certified and non-certified land. The Swedish organic certification body, CRAV, estimates that this figure is now **11.2%**

[#] The International Federation of Organic Agriculture Movements (IFOAM) states that this figures is 10.09%.

The four countries in Europe with the highest percentage of agricultural land in organic production (Sweden, Austria, Denmark and Finland) have all set targets and developed action plans. Denmark has produced the most detailed action plan. Their starting point was that consumer demand for organic production should be met, and that the organic market should develop on the basis of the market economy.[6]

The Danish plan made 65 recommendations and resulted in increased investment in research and training, new marketing initiatives and increased agri-environment support in environmentally sensitive areas. Organic food has also been promoted as a way of converting consumers to sustainable consumption and studies have been carried out on the impact of converting 80% to 100% of Danish agricultural land to organic production.

The action plans from the other countries who have set targets have included policy measures relating to research and development, training, identifying and removing barriers to increased organic production, development of processing and marketing activities and the continuation of support for organic production.

4.5. Government targets

The government has found targets useful for securing progress in many areas such as poverty reduction, waiting list reduction and reducing truancy in schools. The Organic Targets Bill campaign believes that a target is required for organic farming to give clear signals to farmers that the government will support organic farming in the long-term. This will give confidence to farmers who want to convert but are worried that government commitment to the sector will not be sustained.

The Prime Minister has committed to a low target of trebling organic production by 2006, which would mean 9% of the UK's agricultural land would be under organic production in 2006.[7] This 9% target is unlikely to be met with the predicted level of spending on the Organic Farming Scheme of £20 million per year. It would cost £58 million per year to reach 9% by 2006. £20 million per year will only lead to approximately 8.5% of agricultural land being organic by 2010.

Finally and crucially, there is also no action plan in place to ensure that this target is reached.

4.6. Breadth of support for targets

69 national organisations (see appendix 2) and over 200 MPs (see appendix 3, page 2) now support the call for the Organic Targets Bill. The organisations represent a huge cross-section of society: countryside and environmental groups such as the Countryside Agency, Worldwide Fund for Nature and the RSPB, supermarkets such as ASDA and Marks and Spencers, trade unions such as UNISON, consumer groups such as the National Federation of Consumer Groups as well as the organic farming lobby.

4.7. Organic farming delivers public benefits

Organic farming methods deliver many benefits for the public, including wildlife and landscape benefits, and economic and social advantages. For example, there is significantly more wildlife on organic farms: there are 25 per cent more birds at the field edge and 44 per cent more in-field in autumn and winter.[8] In terms of health benefits organic potatoes have been found to contain more potassium and calcium, iron and zinc.[9] [10] As organic food is produced without synthetic pesticides, the risks of pesticide residues are less. For example, a quarter of conventionally produced new and salad potatoes tested for pesticide residues in 1998 were found to contain pesticide residues. None of the organic new and salad potatoes were found to contain residues.[11] Finally, overall between 10% and 30% more jobs can be created in organic systems, bringing economic benefits to communities.[12]

Organic produce seems more expensive than conventional food but conventional farming has many hidden costs that consumers pay for through higher taxes. For example, removing pesticides from drinking water costs around £120 million per year and other costs are incurred such as damage to wildlife and habitats and soil erosion.[13] Although organic farming does not remove *all* these hidden costs as no farming method is benign, it does significantly reduce some of the hidden costs, making organic food cost less overall in the long-term. Policy instruments need to be found to internalise both the negative hidden costs of conventional farming and the positive benefits associated with organic farming.

If the government was to develop a strategy and offer more support for farmers wishing to convert economies of scale and technical improvements would gradually develop and organic food would become more affordable to more people as a consequence.

5. Recommendations

The Organic Food and Farming Targets Bill Campaign believes that the Select Committee should recommend that the government makes a long-term commitment to the organic sector by adopting the Organic Food and Farming Targets Bill, so that targets are set and an action plan formulated, to enable the organic sector to fulfil its potential. The government states that their strategy is to meet market demand but without adequate government support the UK organic sector cannot meet market demand. The UK therefore needs a strategy and targets, so that we can at least meet market demand, and reduce the amount of organic food we import so that the UK environment, UK farmers and UK consumers can begin to reap the benefits of organic food and farming.

6. Appendices

Appendix 1: The Organic Food and Farming Targets Bill
Appendix 2: List of organisations supporting the Organic Food and Farming Targets Bill
Appendix 3: The Organic Food and Farming Targets Bill Campaign Update, Issue 2, May 2000

June 2000

[1] MAFF, *Public Expenditure under the CAP and on national grants and subsidies*, Agriculture in the United Kingdom, 1999
[2] Soil Association, *Organic Food and Farming Report*, Bristol, 1999
[3] Soil Association, *Organic Food and Farming Report*, Bristol, 1999
[4] Lampkin , Nicolas et al, *The Policy and regulatory environment for organic farming in Europe, Organic Farming in Europe: Economics and Policy, Volume 3,* University of Hohenheim, Stuttgart, 1999
[5] Lampkin, Nicolas, *Welsh Institute of Rural Studies,* Aberystwyth, Based on data supplied direct or published up to 14/3/00
[6] Lampkin , Nicolas et al, *The Policy and regulatory environment for organic farming in Europe, Organic Farming in Europe: Economics and Policy, Volume 3,* University of Hohenheim, Stuttgart, 1999
[7] Prime Minister's speech to the National Farmer's Union conference, 1st February 2000 stated that "we envisage a trebling of the area under organic farming by 2006." Currently 3% of agricultural land is organic or in conversion. Therefore a trebling of organic area would lead to 9% of agricultural land, or 1,620,000 hectares being organic by 2006.
[8] Soil Association, *The Biodiversity Benefits of Organic Farming*, Bristol, May 2000
[9] Woes, K Lang D, Boess C and Bogl KW 1997, A comparison of organically and conventionally grown foods - results of a review of the relevant literature, *J of the Science of Food and Agriculture* Vol. 74 pp281-293 quoted in House of Lords Report July 1999
[10] Lampkin N, *Organic Farming*, Farming Press, 1990
[11] Working Party on Pesticide Residues, *Report on Pesticide Residues in Food*, Pesticide Safety Directorate, London, 1998
[12] SAFE Alliance, *Double Yield: jobs and sustainable food production*, London, 1997
[13] Pretty, J et al, *An Assessment of the Total External Costs of UK Agriculture*, University of Essex, in press