

The Organic Food and Farming Targets Bill Campaign

c/o Sustain: the alliance for better food and farming
94 White Lion Street, London, N1 9PF
Tel: (020) 7837 1228 Fax: (020) 7837 1141
organictargetsbill@sustainweb.org

Response to the Policy Commission on Future of Farming and Food
The Organic Target Campaign Steering Group.
October 2001

Introduction

The Steering Group of the Organic Food and Farming Target Campaign's (OTC) response to the Commissions' questions will focus on why an organic action plan and target is urgently required for the development of the organic sector. We believe this would help to secure a sustainable future for UK agriculture.

Who we represent

- The steering group for the campaign consists of Elm Farm Research Centre, Friends of the Earth, HDRA – the Organic Organisation, Pesticides Action Network-UK, Soil Association, Transport & General Workers Union (RAAW), UNISON and WWF-UK. Sustain: the alliance for better food and farming, is the secretariat for the campaign.
- 118 organisations, ranging from supermarkets, such as J Sainsbury, to statutory agencies such as the Countryside Agency, environmental groups, trade unions and small farmers' groups also support the campaign. Together these organisations have a combined membership of over three million people.
- A majority of backbench MPs in the last Parliament also supported the campaign.

Question responses

1. As citizens, consumers and taxpayers what should we expect of the countryside, farming and the food sector?

1.1. Wide-ranging reform of agriculture

- 1.1.1. The work on organic farming and food in the UK should be part of a framework for food policy that links nutrition, food safety and sustainable food supply strategies, as suggested by the World Health Organisation.¹
- 1.1.2. The campaign expects wide-ranging reform of the food and farming sector, so that sustainable farming and food becomes the norm in the UK. Organic farming is one of the best ways of delivering sustainable farming and has a key role to play in the future of British farming.

1.2. Research on what consumers expect

¹ World Health Organisation, Food and Nutrition Policy Unit, *The impact of food and nutrition on public health*, August 2000, www.who.dk

- 1.2.1. Consumer research by the Co-op showed that eight out of ten people (85%) believe that the Government should be doing more to encourage the growth of the organic food sector in the UK, and over three in four (78%) agree that the Government should set targets for organic farming.²
- 1.2.2. There is also solid support for British farmers. Nearly six in ten consumers would prefer to buy organic food that is produced in the UK.³
- 1.2.3. Seven in ten people (69%) would prefer retailers to stock foods with zero or minimal use of pesticides.⁴
- 1.2.4. A Soil Association commissioned MORI poll found that around half (52%) of the UK public thought that more than 30% of farmland should be organically farmed; including 11% who said that all agricultural land should be organic.⁵

1.3. Reduction of pesticide use and antibiotic use in farming

- 1.3.1. The OTC steering group would like to see farms reducing their use of external inputs and having high regard for animal welfare as standard agricultural practice.
- 1.3.2. It is difficult to assess the true costs of pesticide use in the UK because many are not fully understood. However, the following conservative estimates for costs of pesticide usage in the UK have recently been made:

- pesticide contamination of sources of drinking water costs an estimated £120 million annually;
- loss of bee colonies costs £1.73 million annually;
- costs to farmers and the health system are £1.05 million annually.⁶

These external costs should be reduced.

1.4. Reverse in declines in farmland biodiversity

- 1.4.1. Farmland birds have declined by 40% since the mid-1970's.⁷ The OTC steering group believes these declines should be reversed.

1.5. Safe and nutritious food

- 1.5.1. High quality locally produced organic food should be available to all people, regardless of income. This means that it should be free of pesticide residues and antibiotic residues, and levels of vitamins and minerals should be as high as possible.

² Co-op, *Green and Pleasant Land, How hungry are we for safe, sustainable food*, July 2001, NOP Consumer research, Representative sample of UK population, 1040 face to face interviews completed March 2001

³ Ibid

⁴ Ibid

⁵ Soil Association, *Organics and the political agenda*, MORI poll conducted for Soil Association, February 2001. MORI/Field & Tab interviewed a nationally representative quota sample of 1,973 adults throughout Great Britain across constituency-based sampling points. Interviews were carried out using CAPI (Computer Assisted Personal Interviewing) face-to-face in respondents' homes between 22nd and 26th February 2001.

⁶ Pretty, J, N, Brett, C, Gee, D, Hine, R.E, Mason, C.F, Morison J.I.L, .Raven, H, Rayment, M.D, Van der Bijl, G, *An assessment of the total external costs of UK agriculture*, *Agricultural Systems* (65)2 (2000) pp. 113-136, 2000

⁷ RSPB, *The State of the UK's Birds*, 1999, RSPB: Bedfordshire

1.5.2. The precautionary principle should be employed by Government in order to protect the consumer.

1.6. **A vibrant rural economy**

1.6.1. Organisations supporting the OTC would like to see a vibrant rural economy with high quality jobs in agriculture, paying fair wages to farmers and farm workers.

1.6.2. Farming is a crucial part of the rural economy. Whilst the national workforce in agriculture is small, representing 1.8% of the total work force, in deprived rural areas it is often a major employer.⁸ Agricultural employment has been steadily declining. In “full-time equivalents” the agricultural workforce of England fell by 22% between 1980 and 1994 and has continued to drop.⁹ This downward trend can be attributed to;

- Increased use of agro-chemicals
- Farm mechanisation
- Policy changes, most notably the operation of the Common Agricultural Policy (CAP).¹⁰

1.7. **Organic farming’s contribution to the above aims**

1.7.1. Elliot Morley, the Minister responsible for organic farming, believes that “there are a range of benefits economic, social and environmental that organic farming brings”¹¹ Campaign supporters therefore believe that a far greater proportion of UK agricultural land should be organic than the current 3%, as the benefits that could be brought about by an increase in organic land to 30% would be substantial.¹² These benefits are detailed below.

1.8. **Reduction of pesticide use and antibiotic use in farming**

1.8.1. The United Nations Food and Agriculture Organisation (FAO) states, “organically produced foods have lower pesticides and veterinary drug residues and in many cases, lower nitrate contents.”¹³

1.8.2. English Nature (the UK Government’s advisor on nature conservation) believes that organic farming has benefits for wildlife through reduced agro-chemical use.¹⁴ Agrochemicals associated with non-organic farming can

⁸ Rural Development Commission, *The Employment Impact of Changing Agricultural Policy*. Rural Development Commission Report, 1996

⁹ Ibid

¹⁰ Ibid

¹¹ Morley, E, Cited in Agriculture Committee House of Commons, Second Report, *Organic Farming, Volume 1, Report and Proceedings of the Committee*, 17 January 2001, London, Stationary Office

¹² For more information on specific quantified benefits of 30% land organic, please see Organic Targets Campaign, *Potential positive effects of the Organic Targets Bill*, October 2000, Sustain: London, www.sustainweb.org

¹³ FAO, Food safety and quality as affected by organic farming, Report of the 22nd Regional conference for Europe, Portugal, 24 – 28 July 2000

¹⁴ English Nature, *Intrinsic Benefits of Organic Farming - a Brief Explanation*, Annex to House of Lords Inquiry Evidence, July 1999.

- reduce botanical diversity, restrict the base of wildlife food chains and reduce wildlife populations directly or by restricting their food supply.¹⁵
- 1.8.3. Inorganic chemicals leaching into ground water and waterways can cause damage to aquatic ecosystems through nutrient enrichment.¹⁶ To reduce the costs of cleaning nitrates and pesticides from water, Wessex Water has launched a scheme that provides financial support for farmers to convert to organic production.¹⁷
- 1.8.4. Pollution of air and water is reduced on organic farms, soil health improves, and the number and variety of wild species, such as plants, butterflies and spiders is enhanced.¹⁸
- 1.9. Reverse in declines in farmland biodiversity**
- 1.9.1. Organic farming can help to reverse declines in biodiversity. A three year study of 22 organic and conventional farms by the British Trust for Ornithology comparing the populations of a wide range of farmland bird species found 40% higher bird populations overall on organic farms.¹⁹ Other studies found that organic farms support twice as many butterflies and five times as many wild plants, as non-organic farms.²⁰
- 1.10. Safe and nutritious food**
- 1.10.1. Organic food has lower levels of contaminants, such as pesticides, antibiotics and nitrates and higher levels of a variety of essential nutrients.²¹ Pesticide residues may reduce the fertility of humans and animals and the health of their offspring, as well as disrupting the chemical communication systems that regulate the reproductive cycle.²²
- 1.10.2. One literature review confirmed that, despite varied research methods, there is a trend towards fewer undesirable components or contaminants, and higher desirable components (such as vitamins) in organic food compared with non-organic food.²³

¹⁵ House of Lords, *Organic Farming and the European Union* (Select Committee on the European Communities, with evidence), 16th Report, English Nature written evidence, The Stationery Office, 1999.

¹⁶ CA Edwards, *The concept of integrated systems in lower input sustainable agriculture*, American Journal of Alternative Agriculture, 2, 148-152, 1987.

¹⁷ House of Lords, *Organic Farming and the European Union* (Select Committee on The European Communities, with evidence), 16th Report, Wessex Water written evidence, The Stationery Office, 1999.

¹⁸ Global Environmental Change Programme, *Economic and Social Research Council, Response to the House of Lords select committee enquiry into organic farming and the European Union*, University of Sussex, April 1999.

¹⁹ Chamberlain, D.E., Wilson, J.D. & Fuller, R.J. *A comparison of bird populations on organic and conventional farm systems in southern Britain*. Biological Conservation 88: 307-320, 1998

²⁰ Soil Association, *The biodiversity benefits of Organic Farming*, Bristol, 2000

²¹ Sustain and Soil Association, *Organic food and farming: Myth and Reality*, 2001,

www.sustainweb.org

²² N Lampkin, *The Quality of Organically Produced Foods in Organic Farming*, Ipswich: Farming Press, 1990.

²³ K Woese, D Lange, C Boess, KW Bogl, *A comparison of organically and conventionally grown foods: results of a review of the relevant literature*, Journal of Science, Food and Agriculture, 74, 281-293, 1997

1.10.3. Several studies have found more dry matter (less water) in organically produced food than in non-organically grown produce.^{24 25} This means that there are more nutrients per unit weight of food.

1.11. Vibrant rural economy

1.11.1. Organic farming systems can contribute to a vibrant rural economy. For example, the results of a major six-year study published in *Nature* magazine comparing organic, integrated and conventional apple systems revealed that the organic apple production system achieves greater economic sustainability.²⁶

1.11.2. Organic farming can create more jobs – organic farms tend to employ between 10 – 30% more people.²⁷ On this basis, campaign research shows that if 30% of land was organic in the UK around 16,000 new agricultural jobs could be created.²⁸

1.11.3. Farmers' position in the food chain should be strengthened vis a vis supermarkets. Supermarkets should pay farmers a fair price for their food that allows them to earn a living wage.

2. Against that background, what is good about farming (as land manager and as food producer) and the food sector at present that we should try to preserve, and what are the problems?

2.1. Good about farming and food sector

2.1.1. Organic farmers have increased in numbers from 828 in April 1997 to 2,865 in April 2000.²⁹ This is a 246% increase. These farmers are providing organic produce to a growing market.

2.1.2. The market for organic produce is growing at around 40% per year

2.1.3. The Government funded Organic Farming Scheme pays farmers during the costly conversion process and has helped parts of the organic sector grow considerably.

2.1.4. Farmers' markets numbers have increased from 1 in 1998 to around 280 now³⁰. This provides a valuable direct sales outlet for farmers, allowing them to make more profit. It also brings the buyer into contact with the producer of the goods, giving potential for learning and exchange of information.

2.2. Problems with the farming and food sector

2.2.1. Low percentage of UK organic agricultural land

²⁴ K Woese, D Lange, C Boess, KW Bogl, *A comparison of organically and conventionally grown foods: results of a review of the relevant literature*, Journal of Science, Food and Agriculture, 74, 281-293, 1997.

²⁵ V Basker, *Comparison of taste and quality between organically and conventionally grown fruit and vegetables*, American Journal of Alternative Agriculture, 7, 129-135, 1992.

²⁶ Reganold P, Glover, J, Andrews, P, Hinman, H, *Sustainability of three apple production systems*, Nature Vol. 410, 19 April 2001, www.nature.com

²⁷ Hird, V. *Double Yield – Jobs and sustainable food production*, 1997, SAFE Alliance, London

²⁸ Organic Targets Campaign Briefing Paper, *Potential positive effects of the Organic Targets Bill*, October 2000, Sustain: London, www.sustainweb.org

²⁹ Soil Association, *Organic Food and Farming Report 2000*, Soil Association: Bristol

³⁰ The Grocer, September 22, 2001

2.2.1.1. Only 3% of the agricultural land in the UK is organic. The table below compares the UK with other EU countries.

Table 1: European Union % Organic Land Area

Position	Country	% Organic Area
1	Austria	7.96
2	Italy	7.01
3	Finland	6.79
4	Sweden	6.25
5	Denmark	6.15
6	Germany	3.20
7	U.K.	2.55
8	Spain	1.49
9	Belgium	1.47
10	Netherlands	1.39
11	France	1.31
12	Portugal	1.31
13	Luxembourg	0.81
14	Ireland	0.75
15	Greece	0.71

Source: http://www.organic-europe.net/europe_eu/statistics.asp. Data from 2001.

2.2.2. High level of imports

2.2.2.1. Around 75% of the organic produce sold in the UK was imported in 2000, a five percent increase on the previous year.³¹

Table 2: Organic import share in world markets

This table shows that the UK is the largest importer of organic goods in Europe and one of the world's highest importers.

Position	Country	Import share (% of organic)
1	Mexico	0
1	China	0
3	France	10
3	Japan	10
3	Australia	10
6	Denmark	25
7	Sweden	30
7	Austria	30
9	Italy	40
9	Germany	40

³¹ Soil Association, *Organic Food and Farming Report 2000*, Soil Association: Bristol

11	Spain	50
11	Belgium	50
13	Netherlands	60
14	UK	70
15	Canada	80
16	Taiwan	100
-	Switzerland	n.a.
-	United States	n.a.

Source: Published in Agra Europe, August 24 2001, ERS/USDA based on following sources: 1997 estimates for European markets except 1999 estimate for Italy. 1999 estimates for Pacific and North American markets, except 1997 estimate for China. Annual growth rates projected for next five years, except 3 years for Taiwan and historical for Canada

2.2.3. Intensive farming

2.2.3.1. Many farmers and producers rely on inputs of synthetic pesticides, fertilisers and antibiotics. For example, currently, almost 43 million hectares of arable crops in Great Britain are treated with pesticides each year.³² (This includes repeat sprays.) This has led to a large decline in farmland birds (See 1.4 above) and pesticide residues in our food and water.

2.2.4. Bottlenecks / barriers in the organic sector

2.2.4.1. There are many bottlenecks holding back the growth of organic sector, leading to high imports and slow development of the sector.

2.2.4.2. Information barriers

2.2.4.3. Inadequate market information as well as a lack of research and development into organic farming is hampering the balanced and stable development of the sector. In Denmark the research and development (R & D) budget for organic farming is £15.4 million³³ compared to expenditure by the Ministry of Agriculture Fisheries and Foods (MAFF) on R & D for organic farming of £2.1 million for 2000-01. This was out of overall MAFF R & D expenditure of approximately £104 million.

2.2.4.4. Information is a key factor in organic farming as it is a knowledge based farming system. Also, there is insufficient training capacity, farmer courses, and access to technical information.³⁴

2.2.4.5. Supply chain barriers

2.2.4.6. Bottlenecks exist throughout the organic supply chain including the shortage of organic seed, feed and local abattoirs. The number of small abattoirs fell from 1,400 in 1988 to 280 in 2000.³⁵ 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

³² Pesticide Usage Survey Group, *Pesticide Usage Survey Report, No 159, Arable Farm Crops in Great Britain*, 1999, Central Science Laboratory

³³ Bjerregaard, R, Minister for Food, Agriculture and Fisheries, 12th National Conference on Organic Food Production, *Strategies for the Future Development of Organic Farming*, January 2001

³⁴ Organic Targets Campaign, *Outline Organic Action Plan*, August 2002, www.sustainweb.org

³⁵ Soil Association, Press Release, *The threat to the organic meat market from increased meat inspection charges*, September 1999, www.soilassociation.org

- the scale and requirements of organic production and are not the right structure for developing local and regional marketing.³⁶
- 2.2.4.7. As organic food becomes mainstream, retailers are squeezing prices to organic farmers as they have with non-organic producers. This is unsustainable.
- 2.2.4.8. EU quality standards for fruit and vegetables are not always appropriate for organic food, which may be less uniform in shape and size, and is sometimes smaller. It's hard for non-organic growers to meet these standards without an undesirable use of inputs.³⁷
- 2.2.4.9. **Market development barriers**
- 2.2.4.10. There is currently a general situation of under-supply of organic products in the UK that leads to high retail prices for many organic products in supermarkets, and high imports. These high prices are a barrier for reaching the target of 30% by 2010 and increasing consumption among people on low incomes.
- 2.2.4.11. The market is also under-developed in some areas, leading to oversupply in some produce such as milk. However, the UK still imports dairy produce. **For example, Muller, which has extensive production facilities here in the UK, has set up a yoghurt processing plant in Germany to supply the UK market.**³⁸
- 2.2.4.12. New organic markets are not being identified, or exploited, due to many different policy and technical barriers. For example, many caterers use semi-prepared foods, which are not currently available from the organic sector. Public procurement could be a major market for organic food.
- 2.2.4.13. **For example, Italy was the first European country to have an organic school meals system and now over 100 schools are serving organic food. Regional laws are also in place enforcing the use of local and organic ingredients.**
- 2.2.4.14. **Financial barriers**
- 2.2.4.15. The low payment rates for some sectors within the Organic Farming Scheme (OFS) are restricting the growth of the organic sector and limiting the environmental gains that would result from more organic farming. Rates are inadequate for the arable and horticulture sectors. For example total horticulture conversion costs are estimated as typically £2-3,000 per hectare³⁹ yet farmers receive only £350 over the conversion period.
- 2.2.4.16. As problems with pesticide residues mainly stem from fruit and vegetables more organic horticulture produce would give large consumer gains.
- 2.2.4.17. Most importantly UK producers cannot compete with producers in other EU countries where funding is higher and substantial post-conversion funding is available. This is currently a real difficulty for organic producers.
- 2.2.4.18. **Standards barriers**

³⁶ Dabbert, S, Ed, et al, *The European Market for Organic Products: Growth and Development*, Organic Farming in Europe, Volume 7, Universitat Hohenheim, Germany, 1999

³⁷ Co-op Group, *Green and Pleasant Land*, July 2001

³⁸ Organic Business, August 2001.

³⁹ Agriculture Committee, House of Commons, *Second report of session 2000-01, HC 149-1, Organic Farming*, 24 January 2001, London: The Stationary Office

- 2.2.4.19. 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 new companies entering the organic sector that are not ethically driven.⁴⁰
- 2.2.4.20. **Social and institutional barriers**
- 2.2.4.21. 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.
- 2.2.4.22. For example commercial seed, fertilizer and pesticide companies, banks, agricultural consultants and farmers' unions all support the current agriculture paradigm of "high productivity and highly competitive agricultural practices."⁴¹ The collective influence of this network is likely to be a tendency to resist change and to maintain high input farming.⁴²

(See **Appendix One**, Organic Target Campaign, *Outline Organic Action Plan – A discussion document*, August 2001, for a full discussion of barriers and solutions to overcome them in the organic sector)

3. What factors are driving these good and bad aspects and how?

3.1. Factors driving good aspects

3.1.1. Market demand

3.1.2. Market demand is driving the development of the organic sector. Organic buyers tend to be concerned about food safety issues and about the environment and have therefore turned to organic produce.⁴³ They trust the organic standards.

3.1.3. Financial support

3.1.4. The increase in Government financial support has also helped develop the organic sector.

3.1.5. Alternatives to supermarkets

3.1.6. Farmers have led the growth in farmers' markets by looking for an alternative retail outlet to supermarkets. By direct selling the farmer can make more money and have more independence. Farmers' markets have also grown because consumers want to support local producers.

3.2. Factors driving bad aspects

3.2.1. Low percentage of UK organic agricultural land

3.2.1.1. The lack of a strategic approach to organic farming by the UK Government has thwarted the growth of the organic sector leading to slow development and bottlenecks in the organic sector.

⁴⁰ Ibid

⁴¹ Stockdale, E, Lampkin, N, Hovi M, Keatinge, R, Lennartsson, E, Macdonald, D, Padel, S, Tattersall, F, Wolfe, M, Watson, C, *Agronomic and environmental implications of organic farming systems*, Advances in agronomy, Volume 70, pp. 261 – 327, Academic Press, 2001

⁴² Ibid

⁴³ Taylor-Nelson/Sofres, *Superpanel Data*, 2000

- 3.2.1.2. Most EU countries with more organic land than the UK have an action plan and a target to give direction across Government, to give farmers the confidence they need to convert and to secure finance for the organic sector. Eleven countries or regions in total have developed their own action plans and objectives or targets. (See table 3 below) A major EU study has found that consumer demand is only one of the factors leading to the growth in the organic sector. If adequate organic supplies are to be found a mixture of Government supply side “push” policies and free market demand “pull” are required.⁴⁴

Table 3: EU Targets and Action Plans for Organic Farming

Position	Country	Target	Action Plan
1	Austria	Yes	Yes
2	Denmark	Yes	Yes
3	Finland	Yes	Yes
4	France	Yes	Yes
5	Germany	Yes	Yes
6	Netherlands	Yes	Yes
7	Norway	Yes	Yes
8	N. Ireland	Yes	Yes
9	Sweden	Yes	Yes
10	Switzerland	Yes	Yes
11	Wales	Yes	Yes
12	Belgium	No	No
13	Greece	No	No
14	Italy	No	No
15	Luxembourg	No	No
16	Portugal	No	No
17	Spain	No	No
18	U.K.	No	No

3.2.2. Imports of organic foods are high due to a number of reasons

3.2.2.1. The UK Government currently offers organic farmers one of the lowest conversion payments in the EU. For example, organic horticulture payments in the UK are £70 per hectare per year for five years compared to a payment in Sweden of £534 per hectare per year for five years.⁴⁵ The UK is also one of the few EU countries that does not offer any of its farmers continuing payments post-conversion. UK farmers are therefore at a disadvantage to their EU counterparts, first in their ability to supply organic produce and secondly in their ability to do so at a competitive price.

3.2.2.2. The lack of a strategic approach for the organic sector means that some produce is in scarce supply. The organic horticulture and arable sectors

⁴⁴ Dabbert, S, Ed, et al *The European Market for Organic Products: Growth and Development*, Organic Farming in Europe, Volume 7, Universitat Hohenheim, Germany, 1999

⁴⁵ Soil Association, *A comparison of organic aid rates in the United Kingdom and other EU member states*, 2 May 2001

are particularly behind in organic conversion. This leads to greater imports. For example, the company Organix Brands plc cannot source the processed apple pulp they require locally as there is insufficient horticulture in the UK. It is therefore imported.⁴⁶

3.2.2.3. The strong pound also disadvantages UK organic producers and favours imports.

3.2.3. Intensive farming

3.2.3.1. The Common Agricultural Policy (CAP) and global trade rules encourage intensive farming. Further trade liberalisation will leave all farmers more vulnerable. For non-organic farmers it encourages them to cut costs and be ever more efficient to compete in the global market place. This encourages focusing on yields to the detriment of the environment or social issues. There is a danger that greater trade liberalisation may force organic farmers to cut corners too and opt for the lowest possible organic standards.

3.2.3.2. The CAP is badly formulated and encourages farmers to farm more intensively throughout Europe. Nine-tenths of farming support is targeted at food production. Much of this is through area or livestock payments without any reference to the economic or environmental performance of the farm. This encourages farming to be mono-functional concentrating on food production to the exclusion of other functions.

3.2.3.3. The current subsidies for production are:

- Ineffective: they do not give signals to farmers to produce what society wants.
- Inefficient: they spend money on production support, which results in few benefits to society.
- Indiscriminate: they support all farming systems, regardless of the environmental, social and economic benefits or problems they provide.

4. *What can be done to make things better:*

(a) in the short-term?

4.1. **The Government should support the policies put forward by the Organic Target Campaign**

4.2. This calls for:

- An action plan for organic farming;
- 30% of agricultural land in England and Wales to be organic by 2010.
The achievement of the above aims must be done in such a way as to:
- Make organic food more accessible to more people;
- Increase the availability of locally produced organic food;
- Keep the organic market on a sustainable path of growth;
- Develop both the supply chain and the capacity of the organic market.

4.3. **An action plan for organic farming**

4.3.1. The Government should adopt a strategy for the development of the organic sector that is supported by the organic sector and all stakeholders. The market for organic food must grow sustainably, and currently much headroom exists for

⁴⁶ Vann, L, Organic Brands plc, *Personal Communication*, May 2001

the supply of UK organic produce to increase. However in order to avoid over-supply and drop-outs from conversion and to ensure the sustainable growth of the sector, the Government must begin the process of putting in place an action plan for organic food and farming.

- 4.3.2. In May 2001 European Agriculture Ministers, including the UK's Junior Minister Elliot Morley MP, signed a declaration in support of a European action plan. This must be taken forward.
- 4.3.3. In the short term 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 for the action plan. They should work in close co-ordination with each other and under the guidance of the task force. The proposals drawn up should build on the organic action plan that is already in place in Wales.

4.4. Target for organic farming

- 4.4.1. Government target should be adopted for organic farming to:
- align policies for the different areas of the organic sector so that all areas develop at similar rates;
 - give direction to all sectors of the food chain (producers, processors and retailers) so that they can enter the organic market and plan with confidence;
 - encourage joined up thinking across Government departments.

The target should be 30% of agricultural land to be organic in England and Wales by 2010.

4.5. Recommendations for overcoming barriers – short term

4.5.1. Information barriers

- support for the efficient dissemination of organic research results
- development of an initiative for the national supply of organic market information

4.4.2. Supply chain barriers

- development of statutory rules governing the relationship between retailers and organic suppliers

4.4.3. Market development barriers

- adoption of public-purchasing policies for organic food by public bodies and agencies such as schools, hospitals, prisons, civil service and local authorities
- further development of network of organic demonstration farms for visits by schools and the general public

4.4.4. Financial barriers

- provision of sufficient funding for the Organic Farming Scheme (OFS) to ensure that 30% will be organic by 2010. **To achieve a 30% conversion with support provided as under the existing Organic Farming Scheme will cost a minimum**

of **£796.5 million to 2010 or £79 million / year**. This figure is calculated with current payment rates and is therefore a minimum figure.⁴⁷

- increase the rates for certain sectors such as arable and horticulture, reflecting the true costs of conversion
- development of proposals for stewardship schemes, providing on-going support. They should be based on the public benefits that organic farming provides

4.4.5. Standards barriers

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

4.4.6. Social and Institutional barriers

- 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.

4.4.7. Recommendation for overcoming intensive farming problems

- CAP should be reformed so that financial support is moved away from production support towards rural development and agri-environment support. This would encourage more organic and sustainable farming

(b) in the medium to long-term?

4.5. Consultation on the organic action plan

Once the task force is in place, the process of consultation should start. Whilst the Organic Target Campaign cannot foresee the outcome of the consultation, the following ideas have been identified as long-term possible solutions to the barriers holding back the growth of the organic sector.

4.6. Linkages

To ensure that the organic sector grows in a structured and sustainable way a main feature of the organic action plan must be the linkages between the different parts of the organic sector. For example market growth and production must be kept in step, supply chain improvements should be linked with the development of local and regional marketing and production and information services should also be linked.

4.7. Recommendations for overcoming barriers – long term

4.7.1. Information barriers

- an increase in the organic research budget to 30% of the Government R&D budget

⁴⁷ This figure does not take account of changes the campaign would like recommend to the scheme such as higher payments for horticulture, and arable land, and potential on-going organic stewardship schemes.

- 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 fulfill them. This could include a mentoring system

4.7.2. Supply chain barriers

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

4.7.3. Market development barriers

- 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)
- the inclusion of modules on food production and nutrition in the national curriculum
- public information on organic farming principles, practices and benefits

4.7.4. Financial barriers

- developing capital grant schemes for conversion

The Government should also consider:

- Increasing the money raised from “modulation” (removing some of the production related subsidies currently paid to farmers.) This would provide more funding for the Rural Development Programme, which should be used to support organic farming, or more sustainable methods of non-organic farming. This should be graded or stepped so that the largest farmers who receive the highest subsidies bear the brunt of modulation.
- A pesticides tax could help internalise the external costs of agriculture and fund more environmentally friendly farming practices, including organic farming. 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. This money would allow for a significant boost to the organic conversion scheme or stewardship schemes, and could also fund the R & D programme referred to above. It could also be used to fund advice to farmers on how to reduce their reliance on pesticides.

4.7.5. Standards barriers

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

4.7.6. Social and Institutional barriers

- development of a network of regional centres to provide local support to farmers considering and undertaking conversion

4.7.7. Recommendation for overcoming intensive farming problems

- In the long-term the CAP must become a policy for sustainable food production and rural development. It should support agricultural systems that do not depend on external inputs.

ENDS