

**Working Paper
Draft**

**Overview of the EU Regulatory System
for Organic Agriculture**

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1.0 Introduction

This paper examines the European regulatory system for organic certification and accreditation. The paper focuses on the broad regulations of the European Union (EU) (e.g. EEC 2092/91) as well as those employed by individual countries with whom Canada trades. Discussions of these certification and accreditation systems will inform Canadian sellers planning to export into specific countries, and will also provide policy makers with good background information as Canada works to develop its own organic regulatory system.

1.1 Need for Study

Outside North America, Europe is the most common destination for Canadian organic products. Although Europe is often seen as an entity with regard to the organic industry, a wide range of accreditation systems and regulatory bodies govern imports from North America. Given that Canada exports to many countries within the European Union, it is important to be familiar with the individual systems employed by these countries and to understand how these systems differ from our own.

1.2 Study Objectives

The broad objective of this study is to gain insight into organic certification and accreditation systems employed by the European Union as well those systems used by individual countries within the EU, thereby facilitating access to these markets for Canadian organic products. Specifically, the study aims to:

- Provide an overview of European organic agriculture and the process leading to implementation of organic regulation (EEC 2092/91)
- Explain Regulation EEC 2092/91 as well as other EU regulations relevant to organic agriculture
- Explain how EU organic regulations are administered in member states (individual countries) and how these regulations interact with state and private organic regulatory systems
- Explain how EU and state organic regulations affect Canadian entities wanting to sell into these markets
- Predict how potential changes in Europe's Common Agricultural Policy (CAP) might affect organic agriculture in Europe

1.3 Organization of the Document

This document is organized into five broad sections. Following the introduction (Section 1), Section 2 provides a background to organic agriculture in Europe, including a history of organic agriculture leading up to regulation as well as a description of the current industry. Section 3 is a detailed description of EEC Regulation 2092/91 and other regulations affecting organic agriculture in Europe. This is followed in Section 4 by a discussion of organic regulation in the EU's fifteen member states. Section 5 gives a summary and conclusions.

2.0 Background

This section provides a history of organic agriculture leading up to regulation, as well as a current overview of organic agriculture in Europe. This will provide a framework for discussing various organic regulations across the EU member countries.

2.1 The history of organic agriculture leading up to regulation

Modern European organic agriculture began in England in the mid-1900s, based on theories contained in Albert Howard's *Agricultural Testament*. Howard theorized that soil erosion as well as many animal and plant diseases could be blamed on human mismanagement of the soil and failure to recycle organic waste back into agricultural land (<http://attra.ncat.org/attra-pub/organiccrop/origins.html>). In contrast to conventional agriculture, early organic farmers noted the vital link between farming and nature, and were determined not to rely on synthetic products for fertility and weed control (European Commission, 2000).

During the 1950s, Europe's desire for self-sufficiency meant that the primary focus of farming was to increase productivity, thus keeping organic farming on the fringe of agricultural production. Not until the 1970s did increased environmental awareness and growing problems associated with conventional farm practices (e.g. eutrophication and ground water contamination) cause many people to consider the potential advantages of organic farming. Thereafter, in conjunction with increased organic acreage, numerous industry and consumer associations emerged with the goal of creating guidelines for organic production.

As interest in organic farming continued to grow during the 1980s, organic production methods evolved to the point of economic viability. At the same time, major initiatives were undertaken to develop the processing sector and improve the marketability of organic commodities. These initiatives were made possible by an increased consumer demand for safe food produced through environmentally friendly practices. The governments of some countries even began subsidizing the conversion to organic farming in an effort to keep up with increasing demand.

Although the general attitude toward organic products at this time was largely positive, infiltration into the marketplace was accompanied by consumer confusion regarding the definition of "organic". Philosophies on organic farming varied from region to region, harmonization of terminology and standards was nonexistent, and incidents came to light where non-organic products were fraudulently misrepresented as organic. The need to regulate the industry was quickly becoming apparent.

As was the case in Canada, organic standards in Europe initially evolved regionally in member states, and the need soon arose to streamline the system. Organic regulation for Europe as an entity began in 1991 when the European Commission¹ introduced EU

¹ The European Commission is the body responsible for implementing regulations for the collective European Union.

Regulation EEC 2092/91, and continued in 1992, with Regulation EEC 2078/92. The former outlined specific guidelines for the production and processing of organic products, while the latter focused more generally on production methods that fostered environmental protection and sustainability. Through EEC 2078/92 there existed opportunities for financial support for organic agriculture, as its production methods clearly demonstrated environmental stewardship.

2.1.1 Influence of the Common Agricultural Policy (CAP)

Regulations like the two mentioned above grew from Europe's Common Agricultural Policy (CAP). The CAP was introduced in 1962 with the goal of decreasing Europe's dependence on imports through increasing domestic food production. Other goals of CAP included providing a fair standard of living for European producers, fostering rural development, ensuring availability of supply, and ensuring reasonable prices for consumers (United Kingdom Department for Environment and Rural Affairs [DEFRA], 2003).

The CAP's objectives were originally accomplished through compensation payments that were often linked to production and prices, as well as through export subsidies and import taxes. One result of these policies was surpluses of numerous subsidized commodities, requiring large government expenditures to maintain inflated prices. In 2000, the cost of the CAP to European governments was approximately 40 billion euros (DEFRA, 2003).

Since its 1962 inception, the CAP has undergone several reforms, promoting agricultural development but also combating some of the problems it initially created (e.g. commodity surplus and environmental problems). The EU remains focused on these tasks; however, it is unclear whether future reforms to the policy will be as beneficial to organic agriculture as EEC Regulations 2092/91 and 2078/92. The impact of further reforms of the policy on organic agriculture will be discussed in more detail later in this paper.

2.1.2 Other organizations influencing organic policy in Europe

In addition to the European Commission, several international bodies influence organic regulation in Europe. These include the International Federation of Organic Agricultural Movements (IFOAM), the Codex Alimentarius Commission (Codex), and the International Organization for Standardization (ISO).

IFOAM is an international umbrella organization of over 750 member organizations worldwide, with the mandate of representing the worldwide movement of organic agriculture and providing a platform for global exchange and co-operation (International Federation of Organic Agriculture Movements [IFOAM] home page, 2003). While IFOAM was established in 1972, it did not develop standards for organic production and processing until 1998. Nevertheless, it is widely respected for its efforts at promoting organic agriculture.

Codex is an organization created by the United Nations (UN) with the mandate of promoting the application of food standards in an effort to ensure food safety and fair

trade. Codex has developed numerous guidelines and codes of practice through the UN's Food and Agriculture Organization (FAO) and the World Health Organization (WHO). Guidelines for the production and marketing of organic products were introduced by Codex in 1999 (Codex Alimentarius Commission [Codex] 2003).

ISO is an international non-governmental federation of national standards bodies from more than 140 countries, whose mandate is to promote the standardization of numerous products and processes as they relate to the international exchange of goods and services (ISO, 2002). Specific guidelines for organic agriculture have not been created; however, ISO Guide 65 provides a framework for the accreditation of all product certification bodies. ISO has one qualified authority in each member country responsible for administering its guidelines (International Organization for Standardization [ISO], 2002).

Although not directly responsible for creating organic policies for the EU, each of the organizations described above contributes to the framework upon which many European policies are based. The specific role of some of these organizations in the development of organic policies is discussed in more detail later in this paper.

2.2 Organic agriculture in Europe at present

Organic agriculture began to proliferate in Europe in the 1980s and continued during the 1990s, when it was common in many countries to see growth in organic production exceed 20% per year. Today, Europe is one of the most active organic producing regions in the world, with over 4.4 million hectares of land farmed organically, representing approximately 20% of all organic farmland worldwide. Slightly over 3% (or 140,000) of all European farms are organic, a percentage higher than any single industrialized country outside Europe (IFOAM, 2003).

Despite the strong overall growth in organic agriculture in Europe, there is large variation in its importance to individual countries. Italy, the United Kingdom (UK), Germany, Spain, and France, respectively, have the largest acreages in organic production. However, as a percentage of total farmland, Austria has the highest, with 11.3% of its total agricultural area devoted to organic production. Other nations with high percentages of land devoted to organic production include Italy, Finland, Denmark, and Sweden (Organic-Europe, 2003). Table 1 shows organic area farmed, organic area as a percentage of total agricultural area, and number of organic farmers for each country in the EU.

Table 1: Area, percentage of total area, and number of EU organic farms, 2001

<i>Country</i>	<i>Organic Area (ha)</i>	<i>Percentage of Total Agricultural Area</i>	<i>Number of Organic Farms</i>
Italy	1 230 000	1.94	56 440
United Kingdom	679 631	3.96	3 981
Germany	632 165	3.7	14 703
Spain	485 079	1.66	15 607
France	419 750	1.4	10 364
Austria	285 500	11.3	18 292

Sweden	193 611	6.3	3 589
Denmark	174 600	6.51	3 525
Finland	147 943	6.6	4 983
Portugal	70 857	1.8	917
Netherlands	38 000	1.94	1 528
Ireland	30 070	0.68	997
Greece	31 118	0.6	6 680
Belgium	22 410	1.61	694
Luxembourg	2 141	1.71	48
Total EU	4 442 875	3.45	142 348

Source: Organic Europe, 2003

Growth in organic production has followed growth in demand for organic products. Almost 50% of organic products produced globally are sold in Europe. The majority of these sales now occur through large organic supermarket chains, as opposed to small retailers and farmers' markets. To accommodate the need to make products "supermarket-ready", an extremely active value-added sector has emerged, which consists of well over 15 000 organic processors (Duchateau, 2003). It is evident from these numbers that organic foods in Europe are now considered mainstream.

Nations that have committed high percentages of agricultural land to organic production typically have well-developed organic markets as well. Austria, Switzerland, and the Scandinavian countries have relatively mature markets, and are characterized by an abundance of organic retail chains and high per capita consumption of organic products. The UK, Italy, and France have experienced recent strong growth in their organic markets but rely less on retail chains for organic sales, while markets in nations like Portugal and Greece are just starting to emerge (IFOAM, 2003).

As might be expected, total organic sales in European countries are highly correlated to population. Germany, the UK, Italy, and France are forecasted to be responsible for over 60% of all sales in Europe in 2003, while Switzerland, Austria, and the Scandinavian countries are expected to account for most of the remaining organic sales. Retail sales, percentage of total food sales, and predicted growth for organic products in strong European retail markets are presented in Table 2 (IFOAM, 2003).

Table 2: Retail sales, percentage of total food sales, and predicted growth for organic products in Europe

Country	Retail Sales Forecast for 2003 (\$US millions)	Percentage of Total Food Sales	Predicted Annual Growth 2003-2005
Germany	2 800-3 100	1.7-2.2	5-10%
United Kingdom	1 550-1 750	1.5-2.0	10-15%
Italy	1 250-1 400	1.0-1.5	5-15%
France	1 200-1 300	1.0-1.5	5-10%
Switzerland	725-775	3.2-3.7	5-15%
Netherlands	425-475	1.0-1.5	5-10%

Sweden	350-400	1.5-2.0	10-15%
Denmark	325-375	2.2-2.7	0-5%
Austria	325-375	2.0-2.5	5-10%
Belgium	200-250	1.0-1.5	5-10%
Ireland	40-50	<0.5	1-20%
Other EU	750-850	-	-
Total EU	10 000-11 000	-	-

Source: IFOAM, 2003

3.0 The EU organic regulatory system

The previous section provided an overview of organic agriculture in Europe, a background leading up to organic regulation, and a look at some of the factors affecting EU organic regulation. This section describes Regulation EEC 2092/91, and explains how the regulation is administered by individual member states. Other regulations that influence organic agriculture in Europe are discussed also, including potential reforms in the CAP resulting from the admittance of ten new countries into the EU.

3.1 Regulation (EEC) No. 2092/91

Council Regulation (EEC) 2092/91 is the primary European regulation governing organic agriculture in Europe. It applies to crop and animal products for human consumption as well as to animal feed, and contains rules pertaining to production, processing, marketing (labelling and advertising) and trade of both raw and finished products. It refers exclusively to products that will be sold as organic. The Regulation is applicable in all fifteen EU member states. The European Economic Area (EEA) Agreement² allows Norway, Iceland, and Liechtenstein to participate as well. Switzerland has its own national organic regulation but maintains very close ties with the EU.

Regulation 2092/91 was created to provide a common, legalized definition of “organic” enabling the protection of consumers and producers from cases of organic fraud. As with North American organic standards, Regulation 2092/91 requires third party certification, accreditation, audit trails, annual inspections, material lists, defined conversion periods and sustainable farm plans (Organic Trade Association, 2002).

Since its introduction in 1991, Regulation 2092/91 has had several additions, including a set of guidelines for livestock production (1804/99) in 1999, and the establishment of a community logo (EC No. 331/2000), in 2000. The logo was created with the objective of “enhancing the credibility of organic products in the eyes of consumers and better identification of such products on the market” (European Commission, 2000).

² The EEA agreement is an agreement between the EU and several other European countries that came into effect on January 1, 1994. The agreement was established because Norway, Iceland, Liechtenstein, and Switzerland wanted to participate freely in the EU market without assuming the responsibilities of full EU membership. Switzerland later opted out of the agreement following a referendum. The agreement gives these countries the right to be consulted by the Commission during the formulation of Community Legislation, and to incorporate EU Regulations into their own national laws (Europa Web site, 2003).

As a promoter of standardization, the ISO has had direct influence on the general requirements for organic certification bodies operating within the EU. ISO Guide 65, which outlines the requirements for certifiers, has been fully adopted by Europe in the form of regulation EN 45011. Although Regulation 2092/91 does not explicitly require accreditation to EN 45011, adherence to its guidelines is required of all certifiers. For this reason, nations wanting to export to Europe are often screened for their adherence to ISO Guide 65. Some member states have even gone as far to require accreditation to EN 45011 for certifiers operating within their borders.

Although EEC Regulation 2092/91 was initially drafted by the European Commission, its ongoing development is the responsibility of the Directorate General for Agriculture (DG AGRI) located in Brussels. The implementation of the regulation (including some of the costs) is the responsibility of individual member states, while the Dublin-based Food and Veterinary Office of the Directorate General European Commission Health and Consumer Protection (DG SANCO) is in charge of supervising the implementation of the Regulation by member states and countries on the Third Country List³.

3.2 Implementation of EEC Regulation 2092/91 by member states

Despite the widely held belief that the European Commission plays an integral role in administering EEC Regulation 2092/91, it is the member states themselves that have jurisdiction over this function. Each member state is in charge of establishing a certification/inspection system, designating a competent authority to be responsible for the approval and supervision of certifiers, monitoring the system to ensure compliance with EN 45011, imposing sanctions in the event of fraud, and remaining current on all irregularities reported by certifiers. Member states even have the authority to decide on the length of the transition period for entities wanting to convert to organic production. Each year an annual report must be submitted to the Commission by each member state, describing how implementation of EEC Regulation 2092/91 was achieved. A list of certification bodies operating within the member state must be disclosed in this report.

It is important to recognize that like many standards applied across regions with large variations in geographical and socio-economic activity, EEC Regulation 2092/91 is merely a minimum standard to which member states must adhere. As a result, many countries have adopted stricter or more detailed national standards beyond EEC Regulation 2092/91. Belgium, Denmark, Ireland, Austria, the UK, and France have all adopted livestock regulations in addition to those in EEC Regulation 2092/91. Several other countries have implemented standards for aquaculture, textiles, and Christmas trees. Some individual certification bodies have acquired accreditation to IFOAM, which has its own standards for organic agriculture (The Organic Standard, January 2002).

3.3 The Standing Committee on Organic Agriculture

To ensure that EEC Regulation 2092/91 is carried out effectively by member states, coordination with the European Commission is the responsibility of The Standing Committee on Organic Agriculture. The Standing Committee is composed of representatives both from each member state and from the Commission, who meet

³ See Section 3.4 – “Exporting to the EU”, for a definition of the Third Country List.

regularly to discuss amendments and provide advice on updates to organic regulations. Without approval from the Standing Committee, changes to EU organic regulations cannot be made. The Committee also reports to the Commission any irregularities in production, processing, and marketing activities.

3.4 Exporting to the EU

As is the case with other aspects of EEC Regulation 2092/91, individual EU member states are responsible for admitting exports from nations outside the EU. Member states wanting to import must establish an inspection scheme capable of product identification (e.g. quantity, type, origin, transportation details, certification), verification of organic authenticity, and the ability to track the movements of individual shipments. Specific guidelines for importing organic products were originally contained in EEC Regulation 3457/92 (under Article 11 of EEC Regulation 2092/91), but the more stringent EEC Regulation 1788/01 has recently replaced this.

As it stands now, there are essentially two methods through which exporters can gain access to EU markets: 1) the exporting nation is granted status on the Third Country List, thereby permitting unimpeded movement throughout the EU of organic products produced in that country, or 2) the importer (or exporter) can prove on a case-by-case basis that products were produced according to procedures deemed to be equivalent to those described within EEC Regulation 2092/91. Each of these two methods is discussed below.

3.4.1 Obtaining registration on the EU Third Country List

To become registered on the EU Third Country List, the exporting nation must have its organic standards evaluated by the European Commission for equivalence to EEC Regulation 2092/91. The equivalence evaluation includes both production standards and measures to ensure effective control of those standards. Maintaining control of those standards typically requires the competent authority to employ certification guidelines equivalent to those described in EN 45011 or ISO Guide 65. Only if the exporting nation is able to satisfy these criteria will it be added to the Third Country List. As well, regardless of the exporter's status on the Third Country List, an inspection certificate declaring equivalence must be issued by the competent authority in the member state where the organic shipment is received. This certificate must accompany all shipments entering the EU. Nations with Third Country status include Argentina, Australia, the Czech Republic, Hungary, Israel, and Switzerland.

3.4.2 Establishing equivalence on a case-by case basis

The procedures for establishing equivalence on a case-by-case basis are similar to those described above, except that they must be carried out for every shipment being exported into the EU. The exporter must work through the competent authority in the destination member state, rather than the European Commission. The EU has stated that this option will be available only until December 31, 2005, after which only nations holding Third Country status will be granted access to European markets.

It should be noted that for case-by-case shipments, individual member states often have different criteria for evaluating an exporter's compliance with the EEC Regulation

2092/921 and EN 45011 (ISO Guide 65). For example, some member states (Austria, the Netherlands, Denmark, Spain, Sweden, the UK, and Germany) accept the US Agricultural Marketing Service's (AMS) ISO 65 accreditation, while others do not (USDA, 2003). Similarly, some member states may be more familiar than others with specific organic standards used by exporters. As a result, a potential exists for delays at the border while this verification process takes place. It is evident then that obtaining Third Country status is advantageous, in that this process does not have to be carried out for individual shipments.

3.4.3 EEC Regulation 1788/01

The process of exporting to the EU for countries on the Third Country List as well as for those exporting on a case-by-case basis has been complicated by the introduction of EEC Regulation 1788/01. Under this new regulation, all exporters must follow a number of steps in addition to the processes described above. The process is as follows:

- 1) The certifier in the exporting nation issues an original certificate of inspection with each consignment to be processed.
- 2) The competent authority in the importing country declares on this original certificate that the consignment corresponds to the certificate.
- 3) Customs officers of the importing nation declare their verification of inspection of the original certificate and return it to the importer.
- 4) The importer again verifies the consignment in accordance with all procedures in 1788/01 and 2092/91, and notifies its certification body of the import.
- 5) The consignment is free to enter the member state.

Source: The Organic Standard, December 2001

The adoption of Regulation EEC 1788/01 has received criticism from European importers and certifiers. This criticism has to do with the fact that the original inspection certificate must contain both a statement from the exporter's certification body and a decision from the importer's competent authority. The original certificate must also be available to the importer's custom officials before access will be granted to the EU. The certificate cannot be faxed or mailed electronically as a means of speeding up this process. Depending on the efficiency of each party in processing and sending out the certificate, there is an enormous potential for delays. In the case of perishable goods, the product may spoil before it ever reaches its destination. Despite these concerns, EEC Regulation 1788/01 was implemented on July 1, 2002, with little opposition (The Organic Standard, November 2002).

3.4.4 Market standards or consumer preferences

Exporters often believe that meeting the legal requirements described above will guarantee market access. However, in well-developed European markets this is not always the case, as both consumers and retailers have been known to reject standards that have otherwise been approved. Sainsbury's, an organic retailer in the UK, has been known to reject products that were not certified by an IFOAM-accredited certifier. Several supermarkets in Denmark have rejected produce sprayed with copper, despite the fact that EEC Regulation 2092/91 permits this procedure. In the well-developed Swedish market, consumers have become accustomed to products certified by the private certifiers

Demeter and KRAV, and may therefore perceive products bearing other labels as being substandard. These examples suggest that exporters need to be familiar with specific foreign markets as well as with the regulations used in those markets (The Organic Standard, January 2002).

3.5 Subsidies for organic agriculture in the EU

Subsidies for organic agriculture in Europe exist through several different programs created primarily through reforms in the EU's Common Agricultural Policy (CAP). By the late 1980's CAP had achieved the primary goal of European self-sufficiency, and therefore shifted toward promoting economic and environmental sustainability, through the Extensification Program (EEC Regulations 1094/88 and 4115/88) and the Agri-Environment Program (EEC Regulation 2078/92). Organic producers were also able to benefit through several mainstream EU agricultural policies, as well as through numerous initiatives at the member state level, including subsidies for inspection and certification. The following sections provide a brief overview of the major financial support opportunities that exist for EU organic producers.

3.5.1 The Extensification Program (EEC Regulation 1094/88 and 4115/88)

The purpose of the Extensification Program is to reduce production of commodities (both crop and livestock) in surplus, in an effort to minimize subsidies required to inflate low prices caused by the commodity surplus. The program requires a 20% reduction in beef and sheep numbers based on less intensive practices, and allows for the set-aside of marginal cropland. Although not aimed directly at organic agriculture, the regulations provide support for the conversion to organic agriculture, as it is less intensive than conventional agriculture. As is the case with all EU regulations, it is the responsibility of individual member states to implement (and partially pay for) this program. In Germany, France, and Luxembourg, the regulations eventually led to the development of programs aimed specifically at assisting the conversion to organic farming (Lampkin *et al*, 1999).

3.5.2 The Agri-Environment Program (EEC Regulation 2078/92)

The Agri-Environment Program was created with the dual objectives of promoting environmental sustainability in agriculture and providing a fair income for farmers. It is available for farmers who undertake a variety of initiatives, including a reduction in fertilizer use, a shift to more extensive production methods, a reduction in livestock per forage area, the protection of the environment and natural resources, the protection of endangered animal species, the upkeep of abandoned farmlands and woodlands, set-aside initiatives, and the management of land for public access and leisure activities. As many of these initiatives fall under several other programs, this regulation restricts the level of support that can be received for any given parcel of land (Lampkin *et al*, 1999).

3.5.3 Mainstream agricultural regulations

Although the two programs described above account for a large proportion of the support received by organic farmers, there exist numerous other EU regulations through which subsidies can be accessed. Some of these include The Early Retirement Program (EEC Regulation 2079/92), The Farm Forestry Program (EEC Regulation 2080/92), The Regional Products Program (EEC Regulation 2081/92), and The Set-Aside Program (EEC Regulation 1760/87) (Lampkin *et al*, 1999). These policies have been implemented

by member states at various times over the last fifteen years. In addition to these broad EU programs, many nations have developed their own programs aimed at promoting organic agriculture. Germany and Denmark, for example, offer a wide range of support for marketing and processing in the organic sector.

3.5.4 Subsidies for certification and inspection costs

In the EU, direct subsidies for certification and inspection are available for producers in five countries: Austria, Denmark, Germany, the UK, and Italy. Some of these programs (Austria and the UK) were created through EEC Regulation 2078/92, while others are strictly national programs. Most of these programs offer partial reimbursement of certification and inspection fees. However, in Denmark, certification has been free for producers since 1996. In Finland, France, and Luxembourg, producers are subsidized indirectly through reduced fees from certifiers and inspectors, who receive government funding for their activities (Lampkin *et al*, 1999).

3.6 The impact of future reforms of the Common Agricultural Policy on organic farming in Europe

The European Common Agricultural Policy continues to undergo reforms, most notably with the goal of accommodating the entry of new countries into the EU. As early as 2004 ten countries, including Poland, Hungary, the Czech Republic, Slovenia, Estonia, Romania, Bulgaria, Slovakia, Lithuania, and Latvia will become members of the EU, and will therefore be required to adhere to EU organic regulations. In total, these countries will increase the agricultural land base by 50%, and will contribute more than 100 million consumers (Kryn, 2003). Table 3 shows the organic acreage in each of the accession countries, organic acreage as a percentage of total agricultural acreage, and the number of farms in each nation.

Table 3: Organic area, percentage of total area, and number of organic farms of EU accession countries, 2001

Country	Organic Area (ha)	Percentage of Total Agricultural Area	Number of Organic Farms
Bulgaria	500	0.0	50
Czech Republic	218 114	5.1	654
Estonia	20 141	2.0	369
Hungary	105 000	1.8	1 040
Latvia	20 000	0.8	225
Lithuania	6 769	0.2	430
Poland	44 886	0.3	1 787
Romania	18 690	0.2	1 200
Slovakia	58 706	2.4	82
Slovenia	5 280	0.1	883
Total	498 086	0.3	6 720

Source: Organic Europe Website, 2003

Note: In countries where 2001 data were unavailable, the next most recent year was used.

In contrast to existing member states in the EU, most of the accession countries have lower percentages of agricultural land in organic production, despite the fact that the majority of these nations use extensive agricultural practices characteristic of organic farming. Because the CAP continues to support less intensive forms of agriculture, it is likely that subsidies will be available for many producers, both organic and conventional. It is also possible that many accession countries will experience rapid growth in organic production, encouraged both by subsidies and the high premiums available for organic products.

A current concern of the EU is how the additional subsidies for both conventional and organic agriculture will be paid for. In the late 1990's it was suggested by the European Commission that if all ten accession countries were to join the EU in the near future (under the existing CAP), the additional financial burden incurred on existing EU member states would be 12 billion euros per year for agriculture alone. It is unlikely that accession countries will be able to support CAP policies on their own, as most are 3 to 4 times poorer than the average existing member state (European Commission, 2000).

The financial crisis described above has prompted suggestions for a radical simplification of CAP as it pertains to accession. Three primary challenges have been identified, including “the diversification of rural economies, the promotion of new economic activities in rural areas, and the creation of new sources of income” (European Commission, 1997). The ability of the EU to meet these challenges remains to be seen; however, it is possible that many of the subsidies available to organic farmers in the past will be reduced unless alternative methods of paying for subsidies are developed.

4.0 Overview of organic systems in individual EU countries

The last part of this paper focuses on broad organic policies and regulations initiated at the EU level. This section provides specific information about the organic regulatory systems of individual countries in the EU. Most of the information is summarized in tables for the sake of comparison. Additional information about each country can be obtained from www.organic-europe.net.

4.1 Competent Authorities

As described earlier, implementation of EEC Regulation 2092/91 requires individual member states to designate a Competent Authority to approve and supervise certification bodies, implement procedures for the inspection and certification of imports, and generally oversee all activities related to organic production, processing, and marketing within that member state. Table 4 lists the Competent Authorities of each of the EU member states.

Table 4: Competent Authorities for EU member states

Country	Competent Authority
Austria	State Governments and Regional Food Authorities (co-ordinated by the Ministry for Social Security)
Belgium	Ministry of Small Enterprises; Trade and Agriculture-- two groups: 1) Crops: Quality and Crop Protection Service, and 2) Livestock: Breeding and Meat Service
Denmark	1) Production: Plant Directorate, Ministry of Food, Agriculture and Fisheries 2) Processing: Food directorate and 11 regional Food Control Units
Finland	1) Production: Ministry of Agriculture 2) Processing and Marketing: Ministry of Trade and Industry (National Food Administration)
France	1) Organic Production, Processing, etc.: Ministry of Agriculture, Fisheries and Food 2) Enforcement: Ministry of Economy, Finance, and Industry
Germany	Competent Authorities are appointed at the state level for all 16 states. Co-ordination is maintained at the national level a body referred to as LOK.
Greece	Ministry of Agriculture
Ireland	Department of Agriculture, Food and Rural Development
Italy	Ministry of Agriculture and Regional Governments
Luxembourg	Ministry of Agriculture
Netherlands	Ministry of Agriculture
Portugal	Ministry of Agriculture, Rural Development and Fisheries (The General Directorate of Rural Development)
Spain	Competent Authorities are appointed at the regional level for 19 autonomous regions. Co-ordination is maintained by the Ministry of Agriculture, Fisheries and Food
Sweden	1) Production: Swedish Board of Agriculture 2) Food Related Activities: National Food Administration
United Kingdom	Department of Environment, Food and Rural Affairs (United Kingdom Register of Organic Food Standards [UKROFS])

Source: *The Organic Standard, January 2002*

Because individual member states can administer EEC Regulation 2092/91 as they see fit, substantial differences result, both in the approach to implementation and in the degree to which monitoring and enforcement activities are carried out. In most member states, Competent Authorities are Ministries of Agriculture at the federal level. However, in Spain, Italy, Austria, and Germany, Competent Authorities are at the regional or provincial levels, with the federal government playing only a co-ordinating role. In Belgium, Denmark, Sweden, Finland, and Austria, different authorities handle production and processing activities. For enforcement, most member states rely on general food inspection authorities; however, some have suggested that it is the responsibility of certification bodies even though they have no recourse against producers not certified by them. (The Organic Standard, January 2002)

4.2 Certification

EEC Regulation 2092/91 provides basic guidelines for certification in member states, but does not specify how each country should implement certification schemes. In most

countries, the Competent Authority authorizes or accredits private certifiers to administer the European Standard as well as any national or private standards that may be in effect in that country. The European Standard (2092/91) is the minimum standard to which all exporters must be held; however, a member state may require its own producers and processors to follow additional standards. In addition, some member states require private certifiers to acquire EN 45011 or ISO 65 (general requirements for certifiers) accreditation. Table 5 summarizes the number and names of certification bodies operating in the EU, and lists each country's status with regard to EN 45011.

Table 5: Organic certification schemes for EU member states

Country	Number of En 45011		Names of Certifiers
	Private Certifiers	Accreditation Mandatory	
Austria	8	Yes	Austria Bio Garantie; BIOS - Biokontrollservice Ostereich; Lacon; Salzburger Landwirtschaftliche Kontolle; BIKO; LVA Lebensmittelversuchsanstalt; SGS Aistri Controll; O. Univ. Prof. Dr. Ing. Werner Pfannhauser KEG
Belgium	2	Yes	Blik; Ecocert
Denmark	-	n/a	n/a
Finland	-	n/a	n/a
France	6	Yes	Aclave; Agrocerc; Certipaq; Ecocert; Qualite France; Ulase
Germany	23	No	AGRECO R. F.Goderz GmbH I. G; Agro-Oko-Consult Berlin GmbH; Alicon GmbH; BCS Oko-Garantie GmbH; BiLaCon GmbH; Biozert GmbH; (17 more)
Greece	3	No	DIO; SOYE; pysiologik
Ireland	3	No	Organic Trust; Demeter; IOFGA
Italy	9	No	AIAB (ICEA); Suolo e Salute; ioagricert; CCPB; Codex; Ecocert; Italia; IMC; QC&I; BIOS
Luxembourg	3	Yes	Prufverein Verarbeitung okologische Landbauprodukte; Kontollstelle Okologischer Landbau; Ecocert
Netherlands	1	Yes	n/a
Portugal	2	No	Satvia; Socert
Spain	1	Yes	Sohiscert
Sweden	2	No	Demeter; KRAV
United Kingdom	9	No	OF&G; Scottish Organic Producers Ass'n; Soil Ass'n Certification; Organic Food Federation; Biodynamic Agricultural Ass'n; Irish Organic Farmers and Growers Ass'n; Food Certification; Organic Trust; CMI Certification

Source: The Organic Standard, January 2002

In total, there are 70 private certifiers in operation throughout the EU. Unlike in North America, certifiers cannot operate across national borders, and in some cases (e.g. Germany and Austria) must even acquire permission from Competent Authorities to operate in more than one region. In Spain, most certifiers operate only within one region,

while in Denmark and Finland there are no certification bodies at all, as organic inspection activities are integrated into the regular food inspection systems. In the Netherlands, certification is carried out by a government-appointed certifier, who therefore functions as a monopoly. Sweden and the UK have multiple certifiers; however, in each country, one certifier is dominant (KRAV in Sweden and the Soil Association in the UK). Although not required by EEC Regulation 2092/91, accreditation to EN 45011 is mandatory in four EU countries: France, Spain, the Netherlands, and Luxembourg (The Organic Standard, January 2002).

4.3 Other organic standards

Prior to the introduction of EEC Regulation 2092/91, the credibility of organic products in EU member states was established through the use of non-legal, private, or national organic standards. In most cases, non-legal or private standards are still in operation, but all national standards have essentially been replaced by the broader EU regulation. This does not mean, however, that additional requirements cannot be enforced nationally through competent authorities (e.g. EN 45011 accreditation). Table 6 summarizes the status of various standards in operation in each of the fifteen EU member states.

Table 6: Summary and chronology of organic standards in EU member states

Country	Non-legal or Private Standards		National Organic Standards		National Standards Replaced by EEC Regulation 2092/91	National Livestock Standards Still Utilized
	Currently in Operation	Year Implemented	Standards Adopted	Year	2092/91	
Austria	Yes	n/a	Yes	1983	Yes	Yes
Belgium	Yes	1987	No	-	Yes	No
Denmark	Yes	1981	Yes	1987	Yes	Yes
Finland	Yes	1986	Yes	1990	Yes	Yes
France	No	n/a	Yes	1980	Yes	Yes
Germany	Yes	1984	No	-	Yes	No
Greece	Yes	1993	No	-	Yes	No
Ireland	Yes	1982	No	-	Yes	No
Italy	Yes	1988	No	-	Yes	No
Luxembourg	Yes	1988	No	-	Yes	No
Netherlands	Yes	1992	No	-	Yes	No
Portugal	Yes	1985	No	-	Yes	No
Spain	Yes	n/a	Yes	1989	Yes	Yes
Sweden	Yes	1985	No	-	Yes	No
UK	Yes	1973	Yes	1987	Yes	Yes

Source: Lampkin *et al*, 1999

Organic standards were operating in most member states before the EEC Regulation 2092/91 came into effect. Most mature organic markets (e.g. Sweden, Denmark, Germany) have had organic standards since the early 1980s, while standards in newly developing markets (e.g. Greece, Italy) emerged at approximately the same time as EU regulations for organic agriculture. In many member states, private standards remain

functional because of consumer familiarity with and respect for the standards of private certifiers, as opposed to the broad EU organic standard.

It should be noted that the standards employed by private certifiers are typically stricter than the EU standard. This is because the EU standard must be applied to wide range of agricultural practices and geographic areas, while private certifiers typically operate in an area where organic farm practices are similar. In some cases, the Competent Authorities in member states have deemed the EU standard not to be applicable to production in that region, and have therefore made regional standards mandatory. Examples of this include livestock production in Austria, Denmark, Finland, France, Spain, and the UK.

4.4 Member state support for organic agriculture

As discussed earlier, there are numerous opportunities to obtain funding through organic and conventional EU support programs. As with other EU agricultural regulations, implementation is the responsibility of member states, while financing is the responsibility of both the EU and member states. As a result, there is significant variation in the level of funding and the requirements to qualify for support. Table 7 provides a summary of the support available in EU member states.

Table 7: Types of support available to organic entities in EU member states

Country	Support to Producer Inspection/Certification	Support to Certifier for Inspection/ Certification	Investment Support for Marketing and Processing	Support for Marketing and Processing Improvement	Support for Conversion	Year that Support 2078/92 for Existing Schemes Were Implemented
Austria	Yes	No	Yes	Yes	Yes	1995
Belgium	No	No	No	No	Yes	1995
Denmark	Yes	No	Yes	Yes	Yes	1994
Finland	No	No	No	No	Yes	1995
France	No	Yes	No	No	Yes	1993
Germany	Yes	No	Yes	Yes	Yes	1994
Greece	No	No	No	No	Yes	1996
Ireland	No	Yes	Yes	Yes	Yes	1994
Italy	Yes	No	No	No	Yes	1994
Luxembourg	No	Yes	No	No	Yes	1998
Netherlands	No	No	No	No	Yes	1994
Portugal	No	Yes	No	No	Yes	1994
Spain	No	Yes	No	No	Yes	1996
Sweden	No	No	No	Yes	Yes	1995
UK	Yes	Yes	No	Yes	Yes	1994

Source: Lampkin *et al*, 1999

It is evident from Table 7 that the time required to implement the primary EU organic support measures varied considerably across member states. France, for example, implemented 2078/92 only one year after it was introduced, while Luxembourg took an additional five years to get the program up and running. There also appears to be a positive correlation between market development and the availability of support.

Undeveloped organic markets like Greece and Portugal do not offer much support for organic agriculture, while developed markets like Austria, Denmark, and Germany offer a variety of support opportunities. Germany and Denmark, in particular, have put a strong emphasis on providing support for downstream activities like processing and marketing. Support and market development do not always go hand in hand, though, as developed markets in Sweden and Finland offer little support for activities occurring beyond the farm gate. However, support for conversion seems to be a priority, as all member states offer some kind of financial assistance during transition.

5.0 Summary and conclusions

The overall objective of this paper was to provide organic exporters and policy makers with an overview of the European organic regulatory system(s). A framework for discussing the system was created by describing the development of Europe's organic industry leading up to regulation, and providing an overview of the industry as it exists today. This was followed by an examination of the system itself, including EEC regulation 2092/91, other regulations affecting organic agriculture, the effect of the CAP on the European system, procedures for exporting to the EU, and regulatory schemes in individual member states.

It can be seen that the European organic regulatory system is a two-tiered system, with policies created at the EU level but implemented at the member state level. The member state therefore has control over almost all aspects of organic agriculture, including imports. The protocol required of exporters by individual member states is somewhat variable, making it difficult for exporters to establish a consistent set of procedures to follow. This can result in delays that may decrease the viability of shipping, particularly in the case of perishable goods. The potential for delays is further increased by the 2001 introduction of EEC Regulation 1788/01. Obtaining status on the EU's Third Country List, however, can partially alleviate problems for exporters.

In terms of the CAP, Europe has invested considerable time and money to promote environmentally sustainable farm practices. Although many of the policies and programs are not focused specifically on organic agriculture, there exists considerable opportunity for organic farmers to acquire support. In some member states, EU programs have evolved into elaborate national programs aimed at further promoting the organic movement. It is questionable, however, whether the EU will be able to maintain these high subsidies, given the potential for financial burden created by accession of new member states with less mature economies.

Overall, Europe represents a promising market for Canadian organic exporters. European governments and consumers have endorsed organic agriculture, and importing organic products to satisfy demand is common in many member states. The Canadian organic industry and government must work together to overcome barriers that slow the movement of Canadian organic products into Europe. Obtaining status on the EU's Third Country List would be a significant achievement in this regard.

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