

ADVISORY GROUP ON ORGANIC FARMING

Final Minutes of the meeting November 30, 2011

Version 1

1. Approval of the agenda and the minutes of the meeting held on 12/04/2011

Agenda was approved, with three additional items for AOB.

Minutes of last meeting were approved without any change.

Outstanding actions which were not discussed at the meeting:

- **Action:** The Commission to provide guidelines to ensure that future dossiers of Certification Bodies (CBs) are more complete in future
The Commission explained that there is a checklist for CBs, third countries and group certification on the website in English. Moreover, there is plan for revision of Regulation 1235/2010 during first six months of 2012.
- **Action:** Group certification – to be put on the next meeting's agenda
- **Action:** The Commission and chair/vice chair to produce a work programme for the next two years.
A draft will be circulated to members of the AGOF for final consultation before is finalised.

2. Development of the Common Agricultural Policy – support of organic sector development

The Commission presented the agenda of CAP decision-making process and the Commission's proposals for CAP reform. The budget is to be kept at the same level as 2013 (in real terms). The Commission defined economic, environmental and territorial challenges for agriculture in EU and the policy and explained the new design of direct payments, improved instruments to address market developments, and new rural development policy.

One farmer representative welcomed that organic farming is mentioned explicitly but doubts that 30% greening measures under Direct Payments are enough. Moreover, the environmental character of organic agriculture should be better reflected to EU stakeholders including consumers.

EFFAT welcomed that employment is mentioned in the proposals. It wants to have an overview of job creation and job losses in the agricultural sector. EFFAT also pointed out that they expected that, the Commission at the first coming meeting will present this overview.

The IFOAM EU GROUP welcomed the good and clear objectives but doubted that they will be met with current proposed measures. IFOAM EU therefore asked for 80% co-financing instead of 50% under Pillar2; 50-50 division of Pillar1 and Pillar2 funds; CAP support for farmers that convert from conventional to organic; simplification of greening rules on food production (e.g. rotation); more room for negotiation and more flexibility.

EEB is worried that 25% measures for environmental and climate action are at this moment only an intention. It is not binding and might be lowered. EEB also proposed higher co-financing grade.

The Commission stated that 25% put in recital is a safety net, leaving the space for further discussion. 50% rate of co-financing can be higher for less developed regions and for specific measures like cooperation. For the organic sector there are some possibilities to take advantage of higher rates in some cases.

As employment in agriculture decreases, the Commission wants to support farmers that quit. There are also measures to support young farmers under pillar 1 and 2.

The Commission argued that pillars are balanced with greening of pillar 1 allowing for more focused measures under pillar 2. The Commission invited all stakeholders to address positions on CAP reform to Council and EP as these are the current actors in the negotiation process.

3. Challenges of the new import system, especially the changes in Third Country list (Annex III of Reg 1235), equivalency agreement with Canada (especially wine labelling), list of equivalent CBs (Annex IV Reg 1235) with referring deadlines /timelines for import authorizations.

The Commission presented information on inclusion procedures and the status quo of recognised third countries, recognised control bodies and compliant control bodies.

Fair Trade questioned the new import regime and proposed an extension of the old system to allow trade to continue.

EOCC asked which possibilities exist to extend the scope of certification and what would be dynamics between three pillars of the new import system? EOCC called for an import system based on fairness, clearness and reliability.

The IFOAM EU Group called for fast removal of barriers to trade and abandoning of old system of MS authorisation. We have to target the most efficient import system with maximum stakeholder involvement. The IFOAM EU Group also emphasised the importance of reciprocity between exports and imports. IFOAM EU also questioned the criteria for equivalency, the new role of MSs, the evolution of the equivalence procedure of USA, and where to find list of third countries with pending applications.

COPA-COGECA argued that (organic) agriculture in EU has to deal with comparative disadvantages, especially regarding costs. Our products have to compete with imported products that might have lower standards. Therefore it is extremely important that equivalency is guaranteed and that the requirements for compliance with ISO 65 are enforced.

Fair Trade and the Commission reacted that it is unfair to state that products from Third Countries have lower quality standards and pose a higher risk. This is a too simplistic approach.

The Commission informed the group that MS authorisation will be phased out between July 2012 and July 2015. The Commission defended the stringent application procedure for CBs but recognised that a better communication on the new import system and its requirements is needed. The Commission also stated that the CBs on the list will not have acquired rights; in the case of doubts CBs will have 30 days to prove equivalence. The Commission takes equivalency very serious and checks every standard or regulation in detail, through side by side comparison. The Commission reassured stakeholders that delisting will not happen without warnings. The Commission informed that role for MSs' customs and port authorities will not change. EOCC argued that customs will need at least to train its staff.

The Commission stated that the final aim is to extend the list of third countries. The approach is that for the same category of products you cannot be in both Third Countries list and Recognized CB list.

4. Organic feed challenges – 100% organic and regionalisation

After a long review and consultation, the Commission explained current proposal for a new regime for organic feed and how Regulation (EC) No 889/2008 will be amended:

- Article 19: original version with principles that feed should come from the holding or if that is not possible then should come from other farms in the region with close cooperation is established - 60% for herbivores and 20% for poultry and pigs. Regions will be defined by MSs on national level.
Simplification: the 15-day period has been removed from article 19 (3) as it was impossible to inspect.
- Annex V (referring to feed materials in Article 22) will only list feed materials of mineral and animal origin. Non-organic feed materials of plant origin will not be listed anymore, but they can be used under certain conditions.

Feed materials of animal origin will include sustainable fisheries meal. For a definition of sustainable fisheries the Commission refers to horizontal legislation (Article 3 of Regulation 2371/2002 on conservation and sustainable exploitation of fisheries resources under CFP).

- Annex VI: extra additives will be included as recommended by EGTOP
- Non-organic ingredients like molasses, spices and herbs may be used if not available in organic, with a 1% threshold calculated on annual basis.
- Article 42: extension of exceptional rule for 18 week pullets for egg production up to the end of 2014
- Article 43: prolonged 5% exceptional rule for non-organic feed up to the end of 2014. More internal consultations and with MSs are still planned. In general the long term approach towards feed will be addressed within the report to the Council and the EP.

Proposed changes need to be approved at SCOF, probably at the meeting in February or March after the closing of the official TBT-consultation. Regulation will apply as of 1.1.2012 (retroactive). It is planned that the official draft will be available to stakeholders of AGOF (circa), likely after SCOF in December 19-20. This document would be the basic document for communications by stakeholders to the sector.

EOCC questioned the retroactive application and asked how to handle feed in the time between 1.1.2012 and the regulation comes in to force. We have today an oral communication conflicting with the regulation that applies. This is very difficult to deal with and to communicate to CBs and operators. EOCC asked how regionalisation can be controlled and worries that prolonged derogation for 3 years is a bad signal and will decrease organic credibility and reliability.

COPA-COGECA regretted that this information came too late, however it recognised that derogation is needed. There is a need to use this period to develop proper strategy to ensure supply of organic protein feed in EU. COPA-COGECA doubted that requirement of using organic feed if available is well implemented in MSs and asked the group and Commission to pay attention and called on CBs to comprehensively check the situation. IFOAM EU added that this decision is good for flexibility of sector and also to stimulate farmers to convert from conventional to organic in some regions. However, a significant part of organic sector in EU sees this derogation as a step back, away from the organic principles. Indeed, this derogation may well inhibit the development of organic protein crops production. Moreover, protein supply is not only problematic in organic but for the whole EU agricultural sector. IFOAM EU Group strongly called the Commission to stimulate protein production in the EU.

ECVC asked for the definition of a “region”

The Commission explained the lateness of communication derived from the extensive discussion with MSs and stakeholders on that issue, where finally the approach of the retroactive application was chosen. The Commission informed the group that the definition of a “region” will be decided at national level. The Commission recognised that the prolonged period should be used to develop protein feed production in Europe, but also to revise the organic regulation more broadly.

5. EU Ecolabel for food – update of the process within DG Environment and discussion

The Commission presented the major findings of the feasibility study on an Ecolabel for feed, food and drinks. EUEB advice is expected in March 2012. The Commission will take a decision at a later date. The results show that Ecolabel for food is highly controversial (in terms of costs, complexity, consumer confusion, etc). The EUEB will probably give a negative response to the current proposal. However, EUEB members have also different options, e.g. Ecolabel for catering.

BEUC welcomed the outcomes of the feasibility study and proposed to use Ecolabel as B2B tool, e.g. in organic processing. It would be a mutual gain for the organic sector and the environment. We could get higher demand from non-organic processors, and increase demand in the organic sector.

COPA-COGECA called for a regulation on the proliferation of labels on the market, as labels are sometimes not reliable. This can be an incentive for consumers to buy organic.

IFOAM EU is opposed to an Ecolabel for food, even as a B2B-instrument. The organic sector is already working towards criteria to improve its ecological performance in processing, transport and trade. The criteria can be used as private standards or can be included in the existing organic regulation. IFOAM EU referred to a recent position on greenhouse production, including energy and water use.

6. Horizon 2020, the Framework Programme for Research and Innovation and organic farming

The Commission gave a general presentation on Horizon 2020. It seeks to increase innovative performance of EU. The proposal contains 4.5 billion EUR to target food security, sustainable agriculture and the bio-based economy; and 3 billion EUR for resource efficiency and raw materials (e.g. protein feed). The presentation included examples of successful research platforms and projects (including private-public partnerships). The Commission stated that science and research should be better connected to the real economy and called on organic sector to define research priorities.

EEB (as a TP Organics representative) concluded that the priorities were not clear enough and would like to focus more on societal challenges. Farmers' knowledge and experience is also neglected, despite being an important resource for innovation. It is also not clear what is the scope of bio-based economy.

IFOAM EU asked about concept of private-public partnerships. IFOAM EU also noted that the proposals on innovative partnership do not mention NGOs as research partners, which might close the door for competent organisations that serve public interests. Private-public partnership might only favour private interests, funded with public money.

The Chair stated that the organic sector must take opportunity to be highlighted as the perfect system to achieve the targets outlined in research priorities. It is good that the organic sector is already mentioned in the proposals.

The Commission outlined that TP Organics has identified many elements through its recommendations, e.g. ecological intensification. Other interest groups like EuropaBio work towards private-public partnership and lobbying for bio-technology in bio-based economy. The Commission called on the organic sector to come up with research proposals. The Commission responded that it is working to implement farmers' knowledge and looking at how to support it. The Commission report will be ready with a conference planned in Brussels for the end of March.

The Commission stated that private-public partnerships on innovation are not very well-known yet in the food industry. It may have a place in Horizon 2020. More consideration on this topic can be expected. The Commission is not aware if NGOs are mentioned. TP organics needs to look at it carefully and ensure it is not shy to communicate its position and needs for clarification.

7. Rationale for actions in relation to Organic Production under the Roadmap to a resource Efficient Europe (4.6 a Communication on land use (2014) is proposed as well as a proposal for a candidate European Innovation Partnership (in 2011) on agricultural productivity and sustainability and 5.2 a Communication on sustainable food (by 2013) and a methodology for sustainable criteria for key food commodities (by 2014) are foreseen).

The Commission presented its Communication on Sustainable Food to be published in 2013, as one of the outcomes of the “Roadmap to a Resource-efficient Europe”. Food has been identified as very important. This document has mandate to be ambitious and will serve as a roadmap towards 2050. During preparation the whole food chain need to be analysed, from farm to fork, with holistic approach and maximum stakeholder involvement, including all relevant DGs. Priorities have to be set, Commission still open to what issues will be covered (food waste will be likely to play an important role).

The Commission presented the architecture of the candidate European Innovation Partnership (EIP) for agricultural productivity and sustainability. The EIP is meant as a tool that pools forces and interlinks different innovative actions in order to face future challenges (e.g. increase in world food demand). Aims of EIP are also to bridge gaps between research and innovation and daily practice. This would seek to include all interested stakeholders in the testing, assessment, application and evaluation of new technologies, processes, products, practices and production models; and to improve communication between stakeholders. The EIP will be funded within existing structures (CAP and Horizon 2020). The Commission would welcome all stakeholders to provide input and to participate in the implementation of this new tool, especially the organic sector.

The Chair warned that we also have to target the consumption side of food chain. Business as usual is not an option.

ECVC identified three main challenges for food and farming: 1/ the EU is a net importer of food. 2/ the gap between research and reality have been mentioned million times and it is now time to address it. 3/ the organic system has to be designated as the solution for many problems we face. We have solutions, but not the means to communicate it.

IFOAM EU Group missed statements about distribution, logistics, and market access. These topics are addressed in other reports, e.g. World Bank.

8. Information/Presentation of the [IFOAM EU Group “Guideline for Pesticide Residue Contamination for International Trade in Organic”](#)

IFOAM EU briefly presented the guidelines.

CELCAA recommended adjusting or reconsidering the guidelines regarding scientific evidence for action level of 10ppm and the removal of the 50% analytical uncertainty when more than two substances are found. CELCAA also called for consistency by using existing thresholds like for GMOs and MRLs for pesticides. COPA-COGECA also supported a pragmatic approach to this matter. CELCAA stated that harmonisation should be carried out by organic sector and not by the Commission.

IFOAM EU responded to question of COPA-COGECA, stating that it is not the aim to impose the guidelines; it is a proposal and we want to stimulate its use in the sector. We need harmonisation of residue handling, and the sooner the better. This document might be a starting point, with still a number of issues to be adapted and developed. IFOAM EU added that harmonisation (and in the end regulation) will also create clearness and convince more farmers to convert to organic resulting in a decrease in pesticide use. This should be the overall objective.

EOCC suggested asking every sector urgently to study the residues issue and evaluate the reality. No Commission action is needed before this analysis is conducted.

9. Presentation of the EOCC on the current EOCC activities and outcomes on Risk based inspection (improvement of current RBI systems by additional criteria) and the follow up of positive Residue cases

EOCC presented the risk-based inspection concept and parameters for additional inspections. EOCC works on harmonising risk-based inspection among its members. EOCC presented the work of the Task Force on Residues. The aim is to harmonise certification decisions in case of positive analysis and develop guidelines.

IFOAM EU stressed that it is also involved in the discussion and investigation on risk-based inspection, together with CBs. IFOAM agreed with the importance of harmonisation to maintain credibility. It would be nice to have CERTCOST results at the next AGOF agenda.

Action: Presentation of CERTCOST project results to be put as on the agenda for next AGOF meeting.

10. Information by the Commission - Future agenda of the Organic Farming Unit and EGTOP

The Commission presented its future agenda combining both the activities of the SCOF and of the EGTOP.

The COM presented the state of play of the works of the EGTOP. It mentioned in particular the final reports on feed and on fertilisers that were already published on the organic farming website as well as the final report on plant protection products, which will be soon discussed by the Group for adoption during the plenary session foreseen in December 2011. It reminded the delegations of the 17 MS Dossiers concerning various substances which were dealt with by the EGTOP in 2011. The COM presented the planning of the works of the EGTOP in 2012 and drew the attention of the delegations on the issues foreseen for discussion i.e. food, poultry and protected crops issues. In particular, responding to the question made by the IFOAM EU Group concerning the possibility to add extra experts to the subgroups that will be set up, the Commission explained that the composition of the Sub-groups is decided by the Group together with the Secretariat, on the basis of the available expertise at permanent group level and in the reserve list. Indeed, the inclusion of "external" experts in the Sub-group is foreseen by the current legislation setting up the Group and by the relevant rules of procedures. However, this will be assessed at a later stage on a need basis, as previously described.

11. Information by Commission - Developments on implementing rules of organic wine production

The Commission outlined the further steps of the process: new proposals are sent to WTO for Technical Barriers to Trade (TBT) consultations. It will be presented to SCOF, likely at the meeting in February. New rules should apply as of 1st August 2012.

12. AOB

1) Liquid smoke flavour

IFOAM EU Group asked Commission about the decision on liquid smoke flavour, which was discussed at the SCOF.

The Commission's answer was sent to the Dutch government by letter and it was available from mid-September for all Member States. Liquid smoke flavours cannot be used in the organic sector. If a substance is desirable, then official requests through the competent authority should be sent to the Commission by Member State(s).

2) Revision of the organic regulation

The Commission explained that the report on implementation of organic regulation which was due to the Council and the Parliament by 31.12.2011 will be slightly delayed and will be presented in early 2012. No legislative proposals have been formulated at this stage; there will be only an analysis of regulation included with a view to trigger a debate on the matter. The Commission called for contributions from stakeholders and pinpointed the Commission Work Programme 2012 COM(2011)777 final of 15 November 2011 which includes under the section "forthcoming initiatives 2013" a proposal from the Commission for

a review of the basic act 834/2007 to take place on the basis of the report and subsequent discussions/contributions.

Action: Report on implementation of organic regulation to be included as a substantive agenda point for next AGOF meeting.

Indicative dates for meetings in 2012

- April 19 – IFOAM EU Group has asked for this date to be reconsidered as the IFOAM EU Group is organising its European Organic Congress, on the 16-18 April 2012; and Board meeting on 19 April 2012 in Denmark.
- December 12

3) The Commission responded to questions made by the IFOAM EU Group on FVO audits in the organic sector: DG SANCO is the competent authority, while DG AGRI provides technical assistance on standards. There was a pilot audit in Austria and further audits are planned in 2012. The details on the audits are not yet clear as they are still in the starting-up phase

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