

SUMMARY REPORT

The End of the European Organic Label?

21 November 2017
European Parliament, Brussels

The rapid expansion of the organic agricultural sector and the outdated European certification rules has generated the need for a new regulatory framework for organic production. The Council endorsed on 20 November a new deal on the overhaul of existing rules on organic production and labelling of organic products. Following this, Parliamentarians and stakeholders gathered in the European Parliament to discuss what this new regulation would mean particularly for imports of organic products from third countries. Following the event, the vote on the compromise text took place in the EP Agriculture Committee on 22 November and will take place in plenary in January 2018, endorsing the new organic regulation which will enter into force in July 2020.

Angélique Delahaye MEP and Chair of the “*Biodiversity & Ecosystem Services*” working group of the EP Intergroup on “*Climate Change, Biodiversity, and Sustainable Development*” welcomed participants by stressing that the ever-expanding organic sector cannot sustain consumer demand, underlining that imports from non-EU countries are essential. It was said that the conference title was chosen not because of disagreement with the new regulations validated by the Council but rather to open up for discussion. It was said that the agreement will lead to progress for the organic sector, but that there are concerns regarding trade and the equivalence system used for imported organic goods and how it could impact the future of organic farming in the EU. It was said that there are certain risks that must be considered such as mistrust from the EU consumer due to lack of consistency in certification accreditation as well as increased competition from non-EU countries

Fanny Lardier, Deputy Director, FELCOOP presented the French professional federation for the cooperatives in the fruit, vegetable, potato and horticultural sector. With regards to the organic sector it was informed that more than sixty adherents grow and sell organic and the cooperatives produce 25% of the French organic fruit and vegetable production. It was explained that third countries obtain their certification either through equivalence or by compliance. Equivalence means that different rules can result in the same level of conformity while compliance means that products have to comply with the set of regulations at all stages of production, preparation and distribution. It was stated, however, that the equivalence system is the only implemented system for imports. Analysis from DG AGRI and DG SANTE were also presented regarding the certification schemes. With regards to equivalence it was said that some shortcomings have been found concerning traceability, export certificates, inspections also mentioning weaknesses in the supervision of control bodies in third countries. According to Felcoop the main danger of the equivalence system is the distortion of competition it creates. It was said that the main distortions faced at farm level include: the use of EU forbidden pesticides, fertilizers, and techniques. As a result it



was highlighted that productivity through equivalent rules is much higher and misleading for European organic farmers and consumers as these equivalent products enter the common market with the same logo as products produced in EU. The evidence collected by Felcoop adherents and confirmed by other organisations at national and EU level led Felcoop to create the initiative Collective for Compliance. This has been implemented since April 2017 and has thus far 55 signatories in France, Spain, Portugal, Belgium and Italy. With regards to the new regulation it was emphasised that not much will change. The former equivalence system will be replaced by the recognition of equivalence under a trade agreement with third countries, without any time limit. Compliance will be implemented for all third countries not having signed a trade agreement with the EU after 5 years from the date of implementation of the new regulation. It was said however as the Commission aims to sign as many trade agreements as possible it is clear that the equivalence system will remain the main import system for organic products. It was concluded by stating that the equivalence system will be generalised in the coming years.

Etienne Gangneron, the National Federation of Farmers' Unions (FNSEA) is a French umbrella organisation charged with the national representation of 20,000 local agricultural unions and 22 regional federations. Concerns were also expressed regarding the equivalence system as an organic producer himself. It was said that the review process was supposed to reassure consumers, but it has resulted in the contrary also putting additional constraints on EU producers. It was stated that the imports will increase from third countries. It was reiterated that FNSEA does not support the regulation and believe that the discussions have not yet found solutions for the expressed concerns. It was also questioned that once the process is validated how the press and media will interpret it. Mr. Gangneron reiterated that the regulation endangers EU producers as many techniques are allowed in third countries but forbidden in the EU resulting in distortion of completion between countries. In this regard, the example of Guadalupe and Martinique was showcased where organic regulations prohibited air spraying, resulting in neighbouring countries buying the airplanes for their own use. The issue of pesticides was also raised stressing that prohibited use in the EU of certain products still enter EU territory as imports. It was said that farmers feel powerless when complying with rules that are not followed by producers elsewhere. It was further emphasised that when it comes to developing organic farming we do not have the tools to bring back the trust among European consumers. It was concluded by emphasising that compliance is the only way forward.

Joseph Owona Kono, President, AFRUIBANA, which is a pan-African association of fruit producers and exporters. It was stated that where it is possible to have organic farming producers in Africa comply with EU standards namely with compliance. It was said that it must be acknowledged that not all countries face the same climate conditions and factors, meaning it may be difficult to strictly comply. In these cases equivalence may instead be used. It was also said that producers are not trying to escape their responsibility but in some cases a compromise is needed while reinforcing checks and controls upon equivalences. It was suggested that third countries who are willing to sell organic products should ask for specifications so as to be entitled to sell their products. The EU should be more proactive to make sure that specifications between compliance and equivalence obey the same specifications. It was said that there is a need to reinforce checks and controls upon organic



farming so that they comply with specifications as imports by EU standards. It was said that a compromise should be found to progressively evolve to compliance. It was also stressed to further promote organic farming in third countries. It was concluded by underlining that the regulation as it will be reviewed in the future should be more open to those countries that are willing to develop organic farming as it should be seen as the farming for the future.

Marc Fichers, Secretary General, Nature & Progrès Belgium, outlined that the organisation aims to protect consumers and to ensure that farming and food is produced with respect for people and the environment. It was said that organic farming is a social movement that cannot be limited to the marketing of products that meet a set of specifications. It was said that there is a need to focus on local food and local relationships within trade. It was outlined, however that products must not be imported that can be produced locally. It was said that Belgium has stringent specifications in the implementation of the EU regulation, and that the organisation works towards banning chemicals and synthetic products. With regards to imports it was said that the rules have been implemented to those products that cannot be produced here. It was said that consumers are worried when they see imported products not understanding that organic farming is also directed towards international markets. It was said that EU production is not sufficient to catch upon the demand and imports must guarantee quality prices, control and production. With regards to synthetic pesticides it was said that consumers would not understand seeing pesticides in organic products, which must be guaranteed. It was said the Belgium applies with specifications and control bodies strict checks. If soil pollution is identified, it was explained that an analysis is made on the plant and if found positive of residues the production will be de-certified. It was regretted that the Parliament opposed to include this position in the EU regulation. It was said that the consumers trust the control bodies in general and if standards become less stringent we might be faced with difficulties in the future. It was stated that the new regulation has not moved in the right direction but that we must continue to unite our forces so that provisions of regulations are as strict as possible to guarantee quality products and meet the demands. It was concluded by underlining that it is essential to ensure that local farmers have the ability to produce quality products to consumers.

The discussion with the audience highlighted that the equivalence system is now agreed upon within international trade and it is therefore not possible to change direction. It was highlighted that opening up the arms to third countries is very positive however the organic label goes against the interest of consumers. The need to inform the consumer was reiterated underlining the importance of emphasising the value of products produced in the EU. The discussion also raised whether there is an obligation to indicate the origin of the product and also whether there should be different organic labels differentiating EU products and products from third countries. It was mentioned that exports are important for third countries providing essential livelihoods. It was also mentioned that standards are sometimes stricter across the world compared to the EU. With regards to the efficiency of controls it was pointed out that this is also connected to the implementation of the rules.

A roundtable discussion followed entitled: **Compliance: the only acceptable system for the European organic label**, including Members of the European Parliament, the European Commission and stakeholders.



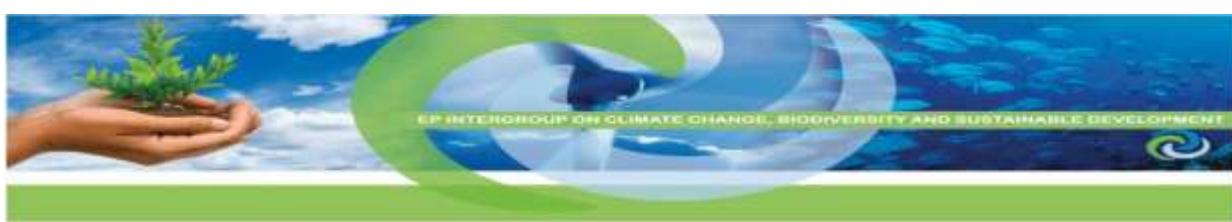
Herbert Dorfmann MEP stated that the demand for organic products (not only tropical) is increasing the need for imports because European farmers cannot meet that demand alone. However, it was said that it must be asked why conventional farmers are not converting to organic farming and whether it is a question of production, control costs and/or bureaucracy. Concerning the new regulation, it was stated that it does not bring any improvements in converting to organic farming. It was said that EU standards for imports must examine whether they are equivalent, however it is difficult to know that the rules are controlled and enforced elsewhere. It would be good to look at the products coming in as it was suggested by the Commission to examine if there are residues of pesticides on the imported products. It was said however that the Parliament and Council destroyed the proposal and that the new regulation does not change anything due to pressure put on legislators from associations working in the sector. In Europe some Member States have strict rules on residues and others have no rules. It was said that if an organic apple produced in Belgium does not uphold the strict rules applied the entire yield must be declassified. The same apple from example Germany may have 10 times more residues, but can still be sold. It was said that it is not a question of EU and non EU countries but a problem within the EU itself. It was outlined that consumers are not aware of this and if they were they would not accept it. It was stated that he would vote against the proposal in the upcoming Committee on Agriculture as it only prolongs the problems into the future and does not ensure a phase out.

Clara Aguilera García MEP reiterated that there is no harmonisation of organic production in the EU. It was informed that Spain has the most farmers producing organically with 40% being traded in the EU and 60% at national level. Farmers, particularly the young generation see the benefits of organic farming as it is linked to quality of life and improving the living conditions. This together with increased awareness is growing the intake of organic products in Spain. It was said that the EU recently ratified an organic product agreement with Chile, the first time the EU reaches an agreement with a third country specifically on organic products. With regards to the new regulation it was said that it would be considered new if it had put forward a new concept of equivalence or actually defined compliance. It was said that this would have been an important improvement regarding trade with third countries, but the EU must also harmonise its rules. It was said that in Spain consumers believe that organic products have zero trace of pesticides. The need to raise awareness and educate consumers on the value of organic products was reiterated. The new regulation was described as not an ideal one, but still a real improvement, supporting it through the upcoming vote.

Nicolas Verlet, Head of unit “Organics”, DG AGRI, European Commission outlined that the agreement reached between the co-legislators is not ideal but the best that could be made. There were many changes from the initial proposal due to diverging positions between Member States on various topics. It was said that the proposal should not be considered a step backwards. It was reminded that the basic principles were defined in the foundation of the regulation and some explanations will become clearer due to the delegated and implementing acts that will be adopted in the coming months. The Commission intends to work in close cooperation with Member States, the Parliament, and the sector to adopt simpler rules to meet the requirements of the sector. It was said that it is the proposal for a



new regulation should not be compared to a regulation one can dream of, but must be compared to the current situation. This is however not always visible by the sector. The Commission thought it was important to adopt a new and more accurate regulation striking a good balance between safety for consumers and rules that are operational for producers to also progress in the coming years. The aim is no to weaken the control or favour imports but to strike a balance. The Commission further outlined the equivalence and conformity issue as it is one of the major changing elements in the new regulation. There is a change in the regulation for imports coming from third countries that are not covered by an equivalence agreement now shifting to compliance. Article 45 of the new regulation was outlined as it states that products may be imported from third countries if the exporters are provided by the control authorities or control bodies that all operators are in compliance with this Regulation. It was highlighted that a lot of concerns were raised whether this would kill the organic sector in developing countries due to differing climate conditions not being able to always apply the same standards and products as the EU. The regulation foresees the general principles of compliance with the possibility for the Commission to grant specific authorisations for the use of products and substances in third countries and in the EU outermost regions taking into account differences in the specific climate and local conditions. It was said that the regulation provides flexibility also mentioning however that if a product is applied that is considered not respecting the principles of the organic Regulation, no authorisation will be given. It was also outlined that Article 46 foresees that the Commission may adopt an implementing act to ensure the application of measures in case of affecting the integrity of imported products or suspicion of such case. Such measures may consist in particular in the verification of the integrity of organic product before placing the product on the market within the EU, and where appropriate, the suspension of authorisation of placing of the market of such products. Further, on duly justified imperative grounds of urgency relating to the protection against unfair practices or practices which are incompatible with the protection and rules of organic production or the protection of fair competition between operators, the Commission shall adopt immediately applicable implementing act to decide on the withdrawal of the recognition of the control authorities and control bodies. Another change mentioned in the regulation concerns the agreements based on equivalence in Article 47. The Commission states that it reinforces the objective and principles as the Article 47 defines a recognised third country as a third country which the Union has recognised under a trade agreement as having a system of production meeting the same objectives and principles by applying rules which ensure the same level of assurance of conformity as those of the Union. Today, except the agreements signed with Chile and Switzerland, the agreements are based on an administrative arrangement. With the new regulation such agreements will have to be signed on the basis of international agreements, which also need the final approval of the Parliament. The recognition of third countries which have been recognised for the purpose of equivalence under the current regulation will come to an end 5 years after the agreement comes into force. If the state is willing to have an equivalence agreement it was said that it will also need the approval of the Parliament. It was emphasised that the EU may be in a position to ensure a greater convergence of international standards towards EU standards. It was concluded by stressing that the EU Is moving ahead with a balanced agreement with the principle of compliance in most imports for which there is no equivalence agreement showing some flexibility to not kill the organic development in developing agreements. The

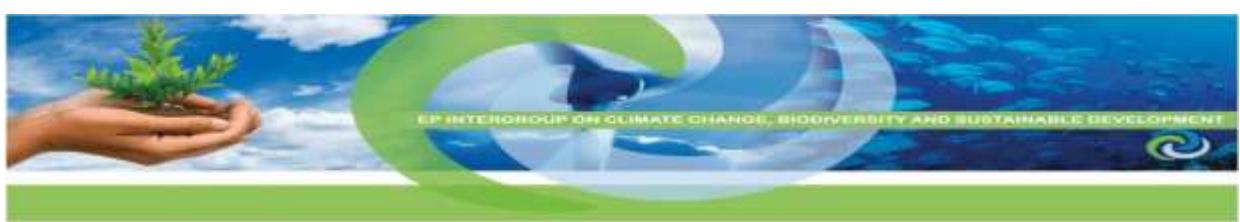


recognition through international agreements is aiming to ensure that they are negotiated to comply, avoid distortion of competition and confusion among consumers.

Philippe Ruelle, Director General of UGPBAN, the banana producers of Guadeloupe and Martinique, emphasised that it is complicated to produce organic products in a moist and tropical environment. Other tropical countries do have the possibility to grow organic bananas and there is a true willingness in Africa and other partners to have a compliant type of banana. It was mentioned that the Dominican Republic and Ecuador have successfully converted to producing organic bananas. UGPBAN is currently in discussions with producers and eager to work together. However, the yield in organic farming is lower than conventional and the prices are not high enough to face this decrease of yield. It was reiterated that it is difficult to have profitable organic farming in a tropical environment and producers are not able to make a living from their production. It was said that the situation has improved due to the equivalence system and the methods previously described with regards to certification. With regards to the Dominican Republic, it was said that they have invested in organic farming and the supermarkets are willing to develop this branch. Ecuador is also moving towards organic farming, but also disrupting the production of the Dominican Republic as the farms are very large in Ecuador in order to meet the demand of the agri-food sector and supermarkets. The Dominican Republic is moving to compliance however the amount of yields produced is impossible without chemical substances. The case is also similar for Ecuador, which allows use of pesticides in certain cases. It was said that it is a vicious system that will not help in compliance and trade agreements will not move third countries to be more compliant. The fact that all products even processed ones are sold with EU products under same label was raised. It was reiterated that consumers are not receiving enough information. It was informed that a new label has been established called organic coherence for French products and in the Dominican Republic a new approach is taken to ensure residue free products. However, it was said that the trade agreements will circumvent some rules and give priority to trade rather than organic farming.

The discussion with the audience further highlighted that consumers are confused particularly when introducing new labels as the one in France. The organic sugar sector was raised underlining that the discussion taking place now is important for sectors that have been less affected in the past but may be more affected in the future. Conventional farming was also raised underlining that it is difficult to convert due to hard technical issues such as attacks by pests or competition from weeds, even if there is a high demand from consumers. Further, if conventional farming can be converted it is uncertain if the organic farming can be maintained as farmers are faced with many obstacles also providing a risk of loss in investments.

Angélique Delahaye MEP and Chair concluded the meeting by underlining that the Parliament has differing opinions on the new regulation which have been expressed. On the one side it has been said that it does not meet the fundamentals of organic farming and on the other hand even though it is not ideal it has been stated as a step forward. It was emphasised that EU farmers feel that Europe is imposing stricter rules on them that producers outside of the EU don't have to bare. It was said that farmers should not be



opposed to one another. Organic farming should be seen as an opportunity to move agriculture to the best practices of tomorrow also calling for raising awareness among citizens. The EU should not rely on imports but give new perspectives to EU farmers underlining the possibilities of organic farming.