

National Assembly for Wales
Environment and Sustainability Committee
ORG 01

Inquiry into Organic Production and Labelling of Organic Products.
Response from The Farmers' Union of Wales

NATIONAL ASSEMBLY FOR WALES' ENVIRONMENT AND SUSTAINABILITY COMMITTEE INQUIRY INTO THE ORGANIC PRODUCTION AND LABELLING OF ORGANIC PRODUCTS

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October 2014

**NATIONAL ASSEMBLY FOR WALES'
ENVIRONMENT AND SUSTAINABILITY COMMITTEE INQUIRY INTO THE ORGANIC
PRODUCTION AND LABELLING OF ORGANIC PRODUCTS**

Introduction

1. The Farmers Union of Wales welcomes this opportunity to contribute to the Environment and Sustainability Committees inquiry into the Organic Production and Labelling of Organic Products with particular reference to the potential impacts of the proposals on Organic production in Wales.
2. The FUW fully supports the principle of Organic farming as a method of producing sustainable management systems and added value to farming enterprises, although the downward pressure on farm gate prices over recent years has inevitably had an impact on the number of holdings remaining in organic production.
3. At the outset it should be said that the Union is not opposed to the review of the current regulatory framework governing organic production across Europe as it believes that it is important that the regulations are kept up to date and reflect any changes at a global, European and domestic level so that they remain fit for purpose.
4. The FUW believes that whilst the current proposals are focussed on consumer protection and the integrity of the sector, there is a need to ensure that any agreement reflects the practical realities of production at farm level and do not add unnecessary barriers to those currently managing the land organically or those considering the conversion process.

Overview

5. All food that is sold as organic must adhere to a range of European and National standards which are subject to regular inspections by approved bodies. Certification of the holding is also a condition for Organic Farming support in Wales.
6. The most recent European regulations for organic food came into force in January 2009: Council Regulation (EC) 834/2007 on organic food and the Commission Regulation (EC) 889/2008 lay down detailed rules for organic production, set out the objectives and principles of organic production, and outlines the inputs and practices that can be used in Organic farming.
7. In March 2014, the EU Commission published its proposals for a Regulation of the European Parliament and of the Council on organic production and labelling of organic

products, which seeks to tighten up organic standards through the removal of derogations and exemptions allowed under the current regulation.

8. The adoption of a more principled approach is driven by the Commission's belief that it will deliver better consumer confidence, improved producer confidence through efficiency measure to improve the functioning of the internal market and to help remove the obstacles to farmers wishing to convert to organic production.

9. As part of the Union's internal consultation on the new proposals, it is clear that there is significant concern within Wales, that the proposals could have a negative impact on organic production, given the emphasis on livestock production within the sector.

10. Over 80% of organic farms in Wales are predominantly livestock based and ending all the derogations and exception rules which currently exist, could create real problems for organic livestock producers, particularly, where feed stocks may be scarce or seed for home grown organic feed unavailable.

11. Members also believed that despite the Commission's assertion that the new regulation would simplify the production rules; in reality it is likely to place an unnecessary bureaucratic burden on farmers either seeking to convert or remain organic if the system is too process-driven.

12. The FUW is also concerned that the current application window for the Welsh Governments Glastir Organic Scheme, means that farmers will have to sign up and commit to agreements without knowing exactly what the EU legislation will require of them. For those currently managing conventional and an organic products in tandem, due to economic necessity, this could be a material consideration in whether to commit to a Glastir agreement or not.

13. Given the UK Government's concerns about the regulatory proposals and the uncertainty about whether proposals such as forcing farmers to convert their entire holding at the same time, or requiring organic farmers to increase production of more organic seed and feed within an unrealistic time frame, the FUW is concerned that some farmers might be holding back from the current scheme due to the uncertainties emanating from Europe.

14. The Union is also concerned that the tight deadline for applying for the organic scheme in Wales, coupled with the requirement that it has to be an online application means that there is considerable pressure on Union staff who are submitting applications on behalf of members who lack computer confidence or suffer from poor broadband coverage.

15. As outlined in the EU Policy Update (EU2014.01) Wales had been in the forefront of organic conversion and production since the development of the first Organic Action Plan, which was prepared as part of the Agri-food Partnership Working Group for organic production. The Action Plan set an ambitious target for 10% of the Welsh agricultural sector to be organic by 2005.

16. As highlighted by the Update document, organic production reached its peak in terms of land managed organically or in conversion to organic management at the end of

2010, which was during the second Organic Action Plan period and it is worth noting that the number of organic producers and land under conversion in Wales has declined significantly since the Organic Strategy Group was disbanded in 2010.

17. Whilst the FUW accepts there are a number of factors which have contributed to the decline in organic production, the reduction in the premiums associated with organic production when supermarkets introduced 'budget' organic lines, the global recession and growth of the 'buy' local campaign, it also believes that the lack of a co-coordinated strategy for the organic sector has also played a role in the downturn in producer confidence.

18. Another factor cited by members who are no longer under organic management was the change to organic feed rules implemented in 2008 for organic ruminants which barred the feeding of non-organic feeds from 1 January 2008 and a gradual reduction for non-ruminants at a maximum of 10% between January 2008-December 31 2009 and 5% 1st January 2010 to 31st December 2011

19. The Union is aware of industry concerns about the proposed requirement for all feed to be 100% organic which is of particular concern to pig and poultry producers.

20. Whilst organic pig and poultry production is not a significant sector in Wales, it can provide an important niche for some producers and so the Union supports the industry call for producers to be able to provide stock with nutritionally balanced diets.

21. An issue of potential concern to organic ruminant producers in Wales is the proposal which could see a percentage of feed used being produced from the holding or 'region'. Obviously, from a Wales point of view, as the topography and geography does not lend itself to arable production, this proposal could have a significant impact on organic livestock production in the future.

22. As outlined previously, the current proposals are generating some concern amongst those who might be considering organic conversion and the principle of the Commission's support for Delegated Acts which would give it the power to set detailed rules without consultation, should be challenged.

23. During its internal consultation the FUW received support for a more pragmatic approach to inspections, although some expressed the view that the current regime helped ensure that the integrity of organic production remained transparent and demonstrable.

Conclusion

24. The Union believes that whilst the review of the legislative framework is to be welcomed, there are several proposed actions which could undermine the growth of the organic sector in Wales.

25. The Union believes that the withdrawal of current derogations should be opposed due to the impacts it could have in Wales.

Concern has been expressed that a requirement to source 100% organic seeds for example would restrict organic producers from using new varieties as they are developed.

26. Removing the ability to run organic and conventional holdings in tandem could also act as a barrier to conversion as farmers may be happy to start the conversion process on part of the holding whilst maintaining some conventional production to diversify market returns.

27. The proposal to require animal feed to be sourced from the farm or 'region' could be a problem for organic farmers in Wales, given the lack of suitable organic land. This will of course be dependant on what is defined as a 'region' within the regulations.

28. The Union believes that given the uncertainties associated with the European Regulation, Welsh Government should consider the potential impacts of some of the proposals on farms having to commit to the Glastir Organic Scheme before the Regulations are agreed and to consider a potential 'opt out' mechanism if the new Regulations and Delegated Acts disadvantage farmers in Wales.

29. Consideration should also be given to producing an updated organic Action Plan to help devise a strategic way forward for the organic sector in Wales.