



Soil Association response to the Environment and Sustainability Committee Common Agricultural Policy Task and Finish Group Inquiry into Reform of the Common Agricultural Policy

November 2011

1. Introduction

This response is made on behalf of the Soil Association and produced by its policy department. The Soil Association is the main organisation for organic food and farming in the UK, and is a membership charity with over 27,000 members including approximately 4000 farmer members. The Soil Association also owns an accredited organic certification company.

Nb. This response focuses on the details of the legislative proposals as they relate organic farming which is the Soil Association's area of expertise.

2. A brief overview of organic farming in Wales

The area of organically managed land stood at 124,681 ha at the end of 2010. Most is fully organic with only 5,099 ha in conversion. This represents just over 8% of the agricultural land area¹. The Soil Association certifies around 30,800 Ha of this land. Organic Centre Wales estimates that Welsh producers sold about 65,000 organic lambs and 3,900 organic cattle in 2010.

3. Summary of the Soil Association's response to the CAP legislative proposals

The Soil Association supports the European Commissioner's strong focus on stimulating employment in farming (in the UK organic farming generally creates over 70% more jobs), and on greening the CAP. The EU Audit Commission has recognised that there is clear scientific evidence of the environmental benefits of organic farming.

We support the compulsory 30% allocation of Pillar 1 payments to benefit the climate and the environment. We welcome the decision that certified organic farmers will be automatically eligible for this payment, without additional requirements, because, in the Commission's words "they are shown to provide clear ecological benefit".

In the Rural Development element, Pillar 2, the "new separate measure" for organic farming, designed to give organic farming "greater visibility", is particularly important for UK organic farmers, as we currently receive lower Pillar

¹ Soil Association Organic Market report 2011

2 payments in the UK than in any other EU Member State. We expect this new proposal from the European Commission to deliver a degree of fairness to British organic farmers, with a more level playing field with competitors in other EU countries than they currently enjoy'. We would, however, like to see greater clarity from the Commission about what Member States will be expected to deliver through this 'new separate measure'. We are also anxious that the innovative role of organic farming is recognised through strong involvement in the new Innovation Partnership in Pillar 2.

We recognise that there is potential for there to be major changes to the proposals as they stand and would request that the Welsh Assembly take into consideration a number of details of the legislative proposals which require change which relate to organic farming. The details and the rationale for these recommendations are detailed in section 5 below.

4. An overview of the Soil Association's general position on the Common Agricultural policy and its reform

Only a small share of the €53 billion CAP budget is currently targeted at clear public policy objectives. Our view is that the whole budget should support clear and targeted measures.

At the moment the CAP does not sufficiently encourage farmers to shift towards genuinely sustainable food production (without reliance on fossil fuels, pesticides, imported animal feed and mined phosphorus) or to adopt land management practices that meet the real challenges of the future: climate change, improving water resources, recovering biodiversity and guaranteeing long-term capacity for healthy, secure food production.

Reform is needed to bring the CAP in line with the EU Budget Heading under which it falls: "Preservation and management of natural resources".

The Soil Association believes that the CAP post-2013 should support agricultural practices that use natural resources in a rational way:

Water: no depletion or pollution of ground water, no use of river water that leaves rivers running low, and no pollution of rivers
Soil: conservation and improvement, not degradation
Wildlife on farms: conservation and enhancement, not decline
Landscape: conservation and positive changes to increase diversity, not destruction of valued landscape features like hedges
Climate: encourage farming practices that store carbon in soils and that rely on renewable fertility and energy, not fossil-fuel based fertility
No use of any persistent, bio-accumulative, hormone disrupting pesticides
Highest standards of farm animal welfare.

We believe that organic farming can play a key role in delivering the numerous public goods which EU citizens expect as part of the farm business. As a system, organic farming can deliver all (or almost all) of the above objectives much more efficiently than an approach which relies on a myriad of policy interventions which attempt achieve each one separately.

The compliance costs (inspection and certification) are already effectively met by organic farmers and growers – not taxpayers. Finally, the delivery of multiple public goods is also the main driver of every organic farm business.

In contrast, tailor-made specific solutions have serious flaws. Reactionary interventions tend to have high costs of implementation and specific interventions can even work against each other. For example, increasing output of milk per cow to reduce greenhouse gasses will reduce animal welfare.

Piecemeal approaches also increase administration and compliance costs. The CAP should therefore recognise the efficiency of supporting organic farming systems over a policy of inefficient individual interventions which attempt to achieve environmental and social objectives separately.

Organic is currently the only legally defined systems approach to sustainable farming; if the CAP is to achieve real public benefits, some of the public money available should be used to support this farming system.

5. The current legislative proposals as they relate to organic farmers²

We welcome the provisions within the proposals which enhance the status of organic agriculture, but we are concerned that these changes could bring about unintended consequences. For example, member states could use the fact that organic farmers are automatically entitled to the greening payment to not implement or to reduce payments to organic farmers under pillar two.

We are concerned that the current proposals may mean that member states offer differing levels of support to organic farmers. This could lead to trade distortions between and within member states.

While the inclusion of organic farming within the 25% minimum funding requirement for land management and climate measures will help, consideration should be given to making the organic measure (Article 30) compulsory and/or applying the higher co-financing rates foreseen in Article 65(4) of the proposed RDP regulation as a means to achieve greater consistency between programming regions.

6. Recommendations for amendments

The International Federation of Organic Agriculture (IFOAM) EU Group (of which the Soil Association is a member) has developed a number of recommendations to ensure the CAP 2014-2020 would support organic farming³. These include:

- Sufficient funding for the conversion to and maintenance of organic farming must be ensured by strengthening the 2nd pillar budget and by ring-fencing a significant share (50%) of the rural development

² With thanks to Professor Nic Lampkin of the Organic Research Centre for this analysis. For further detail see [http://www.organicresearchcentre.com/?go=Policy and debates&page=CAP reform#organic](http://www.organicresearchcentre.com/?go=Policy%20and%20debates&page=CAP%20reform#organic)

³ Further information on positions taken by the European organic movement can be found at www.ifoam-eu.org/workareas/policy/php/CAP.php

programmes' budget for measures that deliver to environmental objectives such as organic farming.

- Organic farming must be made a mandatory measure under the rural development programmes and should be eligible for 80% EU co-funding.
 - Organic farming should be specifically included as a priority in relevant rural development measures such as advisory services, investments and producer groups. Organic farms should be allowed 20% higher support rate.
- The second pillar budget should increase to at least 50% of total CAP budget before 2020.
 - A more specific point is that the diversity of grasslands must be considered in the permanent grassland definition. Where those areas currently defined as permanent grasslands are in fact land in traditional crop rotations which include 7-10 years of grassland, such land should be eligible for return to a rotation including a grass/legume fodder crop (as per the crop diversification measures).