



# Position Paper

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## EDA POSITION ON THE EU ORGANIC REGULATION REVISION PROPOSAL

The European Dairy Association sees the Commission's revision proposal made for the EU organic regulation with major concern. The content of the current draft would restrict the production of organic dairy products in Europe.

EDA is in favour of a common regulation on organic production. There is a necessity to have clear and practical regulations - which is not met by the actual proposal.

### EDA position on the development of the organic sector

The market for organic dairy products in Europe is relatively small, but with a strong growth potential both within and outside Europe. The Common European Organic Scheme is a quality assurance scheme according to which consumers are assured that there is: limited use of pesticide; no use of GM feed; mandatory grazing; limited use of additives in the production process. To receive these additional product features, a premium price is put on the product.

The development of organic legislation should take due considerations of consumers' readiness to pay a premium for organic products. Neglecting this will create the risk that organic products will become a very small and exclusive niche concept for the few. Increased costs and thereby increased end prices for consumers would mean limited growth of organic production and accessibility of organic products for the average consumer. This would be in clear contradiction with the aim to increase organic production and with the dairy industry's aim to make organic products available to most consumers. New measures should therefore only be considered after an evaluation of their burdens on organic production and the consumers' willingness to pay for the additional costs. The willingness to pay should be evaluated based on an evaluation of the actual point of sale behavior, not a questionnaire. It is the dairy industry's experience that the average consumer buying organic products is very price sensitive and that increases in price due to increases in production costs will result in a drop in sale of organic products.

It is the opinion of EDA that the Commission's revision proposal and the preceding impact assessment do not take into account the increased production costs, the consumer demand and the willingness of consumers to pay a premium for organic products. Furthermore, EDA does not believe that the Commission proposal in a satisfactory way has taken the different scales of farms into account, but focused mainly on small scale farmers.

### Specific issues in the Commission revision proposal

#### › Delegated acts

The proposal does in general contain a high degree of delegated acts. This means that the proposal in its current form is very vague as many of the specific rules will first be defined by the Commission (and to some extent the Member States) after the adoption of the proposal via delegated and implementing acts. EDA finds that the extent of delegated acts in the proposal is so significant that it raises a high degree of uncertainty regarding the impact of the proposal on the organic sector. EDA would particularly like to highlight the need for inclusion of Member States and stakeholders when setting concrete production rules.



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## › Dehorning

Dehorning is an essential prerequisite for organic dairy production. For both safety reasons for workers in the organic dairy sector but also from an animal welfare perspective it is crucial that dehorning, with the use of pain releasers, will continue to be allowed.

## › 90 % own farm or regional feed

The proposal stipulates under the rules of annex II part II 2.1.2 (d) for livestock production rules, that with the exception of the transhumance period (of maximum 35 days/year) 90 % of the feed shall come from the farm itself or in cooperation with organic farms in the region. The 90% self-sufficiency rate is a major increase from current requirements. The effect of the proposed new level will be that many organic dairy farms in the northern regions would not be able to continue organic production. The requirement will furthermore cause problems for further developing for some farms as they have to buy or lease more land to produce enough feed. Therefore, EDA fails to see the benefits from this rule, and is of the opinion that it will inhibit the development of the organic sector in the EU, which contradicts the aim of the Commission.

## › Parallel conventional and organic production on same farm

In order to facilitate farms transition to organic production, the current regulation allows parallel production on farms. Article 7 of the proposal removes this opportunity. This will inhibit the development of the organic sector. EDA therefore calls for the current system to continue to apply as it serves the purpose of facilitating conventional farms converting to organic production.

## › Grazing of common land

The Commission proposes that grazing of common land between both organic and non-organic animals should be allowed only for a shorter period if the non-organic animals have grown up in 'special environment friendly farms'. This condition limits the possibilities for conversion of natural areas to organic farming as well as using organic natural areas for grazing as common land between both organic and non-organic animals.

## › Environmental management system

Article 7.1(d) states that organic operators shall put in place an environmental management system with a view to improving their environmental performance. The more specific rules are proposed to be set via delegated acts. EDA in general finds this to be aligned with the fundamental objectives for organic production but stresses the need to ensure that such a system does not restrain the operators or implying increased costs or additional burdens for operators, as this would remove the attractiveness of organic production for operators, and thus would inhibit the future development of the sector. EDA therefore encourages that any system will be discussed with the industry before implemented.

## › Use of conventional seed and plant reproductive material

In the long term the Commission's objective to develop the organic seed sector is important, but banning the use of conventional seed from the end of 2021 is not possible. Although progress has been made concerning the availability and use of certified organic seed within the EU, organic farmers still do not have access to sufficient quantities and types of organic seed, which are suited to all soil and climate conditions across the EU. There are significant differences in availability between Member States. EDA believes that the current derogation, which allows the sector to use conventional seed in certain cases, especially during times of limited supply should be maintained (Article 45, Regulation No 889/2008).



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## › Specific residue levels for organic food

Art. 20 of the COM proposal foresees that specific residue levels will be set by the Commission, taking into account the levels laid down in the Baby Food Directive 2006/125/EC. If a certain substance has not been authorised according to art. 19 for organic food, and this substance is detected above the residue level laid down for baby food, the product cannot be marketed as organic.

EDA is against this new approach, as it switches from a processed-based to a product based approach. It introduces different food safety levels for organic and conventional products, which is not justified. The same food safety requirements should apply to organic and conventional products (horizontal approach). Current residues levels are sufficient to ensure a high level of consumer protection. Otherwise, the existing residue levels would be questioned and would no longer be reliable and credible.

## › Prohibition against tethering animals

The proposal includes a general prohibition against tethering animals, but creates legal uncertainty concerning the exemptions to this provision, because the proposal does not provide a definition of “micro-enterprises”. Therefore, there is need for a clarification of the exemptions in the proposal, including a clear definition of micro-enterprises.

## › Principles underlying the import system

The principle of equivalence shall remain as the basic import system for access to the EU. The introduction of a compliance principle for import as proposed by the Commission can have considerable negative consequences for production of organic products in third countries and severe negative effects on the development of organic farming in the EU due to problems with sourcing of organic ingredients and products not being produced in the EU. Furthermore, the implementation of compliant production standards would hardly be possible in many regions of the world, notably in developing countries, due to different geographic, climatic, administrative and cultural conditions. Therefore, the principle of equivalence shall remain as the basic import system for access to the EU. The problems with fully complying with EU-regulation that can be observed in third countries cannot be solved by introducing restrictive rules on compliance. Instead, improvements of the control system in third countries can solve the existing problems. Also, the number of FVO inspections could be increased.