PROSPECTS & DEVELOPMENTS FOR ORGANIC IN NATIONAL CAP STRATEGIC PLANS LUXEMBOURG

KEY INDICATORS 2019

PRODUCTION
- 5,814 ha organic agricultural land (4.5%)
- 105 organic producers on average farms of 55.4 ha
- 2,630 ha (4.2%) ¹
- 201 ha (13.1%) ¹
- 2,983 ha (4.4%) ¹

MARKET
- €160 million retail sales (8%)
- €264 per capita
- 101 organic processors
- 4,900 ha supported (85.4% of certified area at average of 258 €/ha/year)
- 1.3 M€/year expenditure

2030 SCENARIOS FOR CAP EXPENDITURE ² & ORGANIC AREA

<table>
<thead>
<tr>
<th></th>
<th>National organic area share</th>
<th>Average annual growth</th>
<th>Organic area (kha)</th>
<th>CAP expenditure (M€/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Certified Supported by the CAP</td>
<td>2018 rates 2018 rates + 25% ³ If 100% certified area supported ³ ³</td>
</tr>
<tr>
<td>2014-2019</td>
<td>4.5%</td>
<td>5.9%</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>LINEAR ⁴</td>
<td>7.5%</td>
<td>6.3%</td>
<td>10</td>
<td>8.4</td>
</tr>
<tr>
<td>POTENTIAL ⁵</td>
<td>25.0%</td>
<td>42.0%</td>
<td>33</td>
<td>27.9</td>
</tr>
<tr>
<td>ENHANCED ⁶</td>
<td>29.5%</td>
<td>51.2%</td>
<td>39</td>
<td>32.9</td>
</tr>
</tbody>
</table>

In 2018, conversion/maintenance support was paid on 85.4% certified area at 258 €/ha/year average. Based on these scenarios, a 25% by 2030 target is realistic and achievable, but would require 6-7 times current expenditure. If achieved, this would contribute 0.02% to the EU target of 25% by 2030.

1 Share of national total for category
2 CAP support for organic conversion and maintenance, including national co-financing
3 These values are further explained in the technical note that is available on www.organicseurope.bio
4 Linear trend growth continuing on 2014-2019 basis
5 Target proposed by independent researcher, national official target 20% by 2025
6 Enhanced target needed to reach EU 25% target
CURRENT CAP, NATIONAL POLICY SUPPORT & ACTIONS NEEDED

CAP SUPPORT PAYMENTS (IN €/HA/YEAR)

<table>
<thead>
<tr>
<th></th>
<th>Annual crops</th>
<th>Horticulture crops</th>
<th>Permanent crops</th>
<th>Grassland</th>
<th>Production</th>
<th>Public procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONVERSION</td>
<td>238-298</td>
<td>516-534</td>
<td>534</td>
<td>182</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAINTENANCE</td>
<td>218-283</td>
<td>487-525</td>
<td>518</td>
<td>176</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONVERSION AS % OF MAINTENANCE</td>
<td>105-109%</td>
<td>102-106%</td>
<td>103%</td>
<td>103%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ACTIONS NEEDED

- Ensure conversion costs fully recognised
- Maintain or increase funding levels

DRAFT PLANS FOR CAP 2023-2027 ORGANIC SUPPORT TO BE...

Maintained, funded as Pillar 2 agri-environment-climate measures (AECMs).

NATIONAL ORGANIC ACTION PLAN

- 2019-2025
- Targets by 2025:
  - 20% of national area
  - 40% of public procurement
  - Progress towards achieving targets: Behind target
- No specific future plans, 100% land area by 2050 target. Need for action plan with 2030 targets

OTHER POLICY SUPPORT

<table>
<thead>
<tr>
<th>Combination with other agri-envi measures</th>
<th>Current context</th>
<th>Action needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combinations with most agri-environment options possible</td>
<td>Maintain/develop combinations/specific options for organic farms to benefit from synergies</td>
<td></td>
</tr>
<tr>
<td>Organic mentioned but no specific prioritisation</td>
<td>Maintain/develop support options to promote organic market development</td>
<td></td>
</tr>
<tr>
<td>Situation not reported</td>
<td>Maintain/develop support options to promote knowledge and innovation</td>
<td></td>
</tr>
</tbody>
</table>

LEGEND

- Annual crops
- Horticulture crops
- Permanent crops
- Grassland
- Production
- Public procurement