

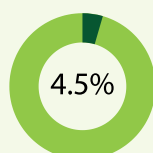
PROSPECTS & DEVELOPMENTS FOR ORGANIC IN NATIONAL CAP STRATEGIC PLANS LUXEMBOURG



#ORGANICINEUROPE

KEY INDICATORS 2019

PRODUCTION



5,814 ha
organic agricultural land
0.00% of EU agricultural land



105 organic producers
on average farms of 55.4 ha



2,630 ha (4.2%)¹

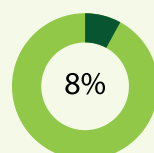


201 ha (13.1%)¹



2,983 ha (4.4%)¹

MARKET



€160 million
retail sales
€264 per capita



101 organic processors

CAP SUPPORT (2018)²



4,900 ha supported
85.4% of certified area
at average of 258 €/ha/year



1.3 M€/year expenditure

2030 SCENARIOS FOR CAP EXPENDITURE² & ORGANIC AREA

	National organic area share	Average annual growth	Organic area (kha)		CAP expenditure (M€/year)		
			Certified	Supported by the CAP	2018 rates	2018 rates + 25% ³	If 100% certified area supported ³
2014-2019	4.5%	5.9%	6	5	1.3	1.6	1.9
LINEAR⁴	7.5%	6.3%	10	8.4	2.2	2.7	3.2
POTENTIAL⁵	25.0%	42.0%	33	27.9	7.2	9.0	10.5
ENHANCED⁶	29.5%	51.2%	39	32.9	8.5	10.6	12.4

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)

					ACTIONS NEEDED
CONVERSION	238-298	516-534	534	182	Ensure conversion costs fully recognised
MAINTENANCE	218-283	487-525	518	176	Maintain or increase funding levels
CONVERSION AS % OF MAINTENANCE	105-109%	102-106%	103%	103%	

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

COMBINATION WITH OTHER AGRI-ENVI MEASURES

Current context

Combinations with most agri-environment options possible

Action needed

Maintain/develop combinations/specific options for organic farms to benefit from synergies

SUPPORT INVESTMENTS, MARKET DEVELOPMENT & PROMOTION

Organic mentioned but no specific prioritisation

Maintain/develop support options to promote organic market development

SUPPORT FOR ADVICE, TRAINING, INNOVATION & RESEARCH

Situation not reported

Maintain/develop support options to promote knowledge and innovation

LEGEND

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

PROSPECTS & DEVELOPMENTS FOR ORGANIC IN NATIONAL CAP STRATEGIC PLANS TECHNICAL NOTES



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KEY INDICATORS 2019

PRODUCTION AND MARKET

- The organic land area, the retail sales value (total and per capita) and operators number data (producers and processors) for 2019 are from FiBL data sets available on <https://statistics.fibl.org/europe.html>. These data are consistent in most cases with Eurostat data, with some exceptions (e.g. Germany);
- The breakdown by organic land use category (arable land, permanent crops, grassland) is from FiBL: <https://statistics.fibl.org/visualisation/crops.html>;
- The total agricultural land area (UAA) and breakdown by main land use type data for the % share calculations are from Eurostat <https://ec.europa.eu/eurostat/data/database>, but relate to 2016, the latest year for which data are currently available.

CAP SUPPORT

- The total support expenditure, share of certified area supported and average support per hectare values for each country and the EU-27 are 2018 data from a not yet published report compiled by the Thünen Institute.¹

2030 SCENARIOS FOR CAP EXPENDITURE² & ORGANIC AREA

THE COLUMNS

- National organic area share: This is the share of national agricultural area (Utilised Agricultural Area or UAA) farmed under organic principles. Values are actual for 2019 and estimations for 2030, determined as indicated below for each scenario;
- Annual average growth rates are calculated on the basis of the start and end values for each period, in the historic case 2014 and 2019, in subsequent scenarios 2019 and 2030. These values assume a constant growth percentage each year, although it is likely that over time these growth rates will diminish as the sectors grow larger.
- The linear trend values are estimated using linear regression analysis of the data for all years from 2014 to 2019, not only the start and end values, to forecast the outcome in 2030.
- Organic area (kha):
 - Certified: Initial 2019 data increased as appropriate for each scenario
 - Supported by the CAP: assuming same share of certified area receiving organic conversion and maintenance support as in 2018.¹
- CAP expenditure (million EUR):
 - Total annual expenditure (million EUR, 2018 average rates): Based on 2018 average payment per hectare data from Thünen Institute report,¹ multiplied by area supported. Values include both EU and national co-financing.
 - 2018 rates +25%: Expenditure if 25% increase in payment rates (million EUR): Assumes that the 2018 average payment per hectare are increased by 25%.
 - If 100% certified area supported: Assumes that the 2018 +25% average payment per hectare is applied to all certified area. In some countries unsupported land is permanent grassland where a lower rate of payment might be expected, so these values represent top end of range.

THE FOUR ROWS

- 2014-2019: it is the historic growth based on actual area data up to 2019, with 2019 expenditure estimated based on 2018 values (see Key indicators above).
- Linear trend: assumes that the growth from 2019 to 2030 will keep the same growth rate calculated using linear regression analysis as achieved in 2014-2019.
- Feasible: These scenarios are proposed on the basis of either:
 - Official targets in national action plans or CAP strategic plans,
 - Organic sector preferred targets as communicated by IFOAM Organics Europe's members,
 - Value suggested by the consultant on basis of current situation and scenario results.
 - The origin of the targets varies from country to country, and it is explained in the footnotes.
- Enhanced: the organic land growth share needed to deliver the 25% EU target are based on pro rata increases to the Feasible growth values.

IN THE TEXT

The percentage points contribution to the EU target refers to the share of EU UAA that would be achieved, so a 1 percentage point contribution to the 25% target is 1% of EU UAA, not 1% of the target.

CURRENT CAP, NATIONAL POLICY SUPPORT & ACTIONS NEEDED

CAP SUPPORT PAYMENTS (IN €/HA/YEAR)

- Conversion & Maintenance: Data on organic conversion and maintenance payment rates for different land use types are for 2019 (reflecting the 2015-2020 rural development programmes) and sourced from the Thünen Institute report.¹ Payment ranges reflect crop type, area and regional variations – full details are available in the report.
- Conversion as % of maintenance: this is the percentage value of conversion payments compared to maintenance payments, directly calculated from the two values above. Given payments are calculated on an income foregone basis, and conversion normally entails additional investment and restructuring costs, as well as lack of access to organic premium prices, conversion payments might be expected to be substantially higher than maintenance payments, at least for the first 2-3 years until full organic status is achieved.
- Plans for CAP 2021-2027 organic support to be...: Information on future CAP plans reflect responses to IFOAM Organic Europe's survey (April-May 2021) of its national member organisations.

NATIONAL ORGANIC ACTION PLAN

- Data on current national action plans is obtained from the Thünen Institute report.¹
- Information on future action plans reflect responses to IFOAM Organics Europe's 2021 survey of member organisations.

OTHER POLICY SUPPORT

- Assessments of other support policies (Current context and Actions needed) reflect the judgement of the consultant based on the Thünen Institute report.¹
- Information was integrated and validated by IFOAM Organics Europe's Council members.

¹ Lampkin N and Sanders S (2021 in press) Organic support payments in the European Union. Thünen Working Paper. Braunschweig: Thünen Institute.

² CAP support for organic conversion and maintenance, including national co-financing.