



## **Organic Farming in Europe 2005: Market, Production, Policy & Research**

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**Background Information for the event “Organic Farming in Europe: Market, Production, Policy & Research”, held February 24, 2005, 12 to 13.30 hrs at the Biofach Congress, Nuremburg**

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# Continued Growth in Europe: Current Trends in Organic Production

**Helga Willer**

**In Europe the organic agricultural land continues to expand. Growth of land and of numbers of farms is accompanied by better policy support, a growing market and increasing research activities.**

According to the recent global statistics more than 26 million hectares are currently managed organically world-wide (Willer/Yussefi 2005). Currently, the countries with the greatest organic areas are Australia (11.3 million hectares), Argentina (2.8 million hectares) and Italy with more than one million hectares. Shares of organic land are, however, highest in Europe.

According to data provided by FiBL and the Welsh Institute of Rural Sciences, by the 31.12.2003 more than 5.8 million hectares were managed organically by around 151'000 farms in the 25 countries of the European Union (EU) and the four EFTA countries. This constituted 3.4 % of the agricultural area. The European Union had more than 5.6 million hectares and around 142'000 farms.

The substantial increase of organic land in the European Union compared to the previous year (ca. 4.9 million hectares) is mainly due to the accession of the new member states, which contributed more than half a million hectares to the European Union's organic land. Another growth factor was the increase of certified organic land in Greece due to the implementation of the EU regulation on organic animal husbandry. There has been growth in France, Spain and Germany, there was however a decrease of organic land and in the number of organic farms in Italy.

The difference between individual countries regarding the importance of organic farming is still substantial. More than 12% of agricultural land is organic in Austria, 10% in Switzerland, 6 % in the Czech Republic. Some countries have yet to reach 1%. The country with the highest number of farms and the greatest number of hectares is Italy. Almost one fifth of the EU's organic land is located here.

It is expected that the organic area will continue to grow in the next years. This will happen particularly in the new member states, where growth has been triggered by the accession. The European Action Plan for Organic Food and Farming, other policy support measures, a growing market and increasing research activities should promote organic farming in all European countries in the future.

## ▪ Links

- Organic Farming in Europe  
<http://www.organic-europe.net>

- European Project European Information Systems for Organic Markets (EISFOM)  
[www.eisfom.org](http://www.eisfom.org)



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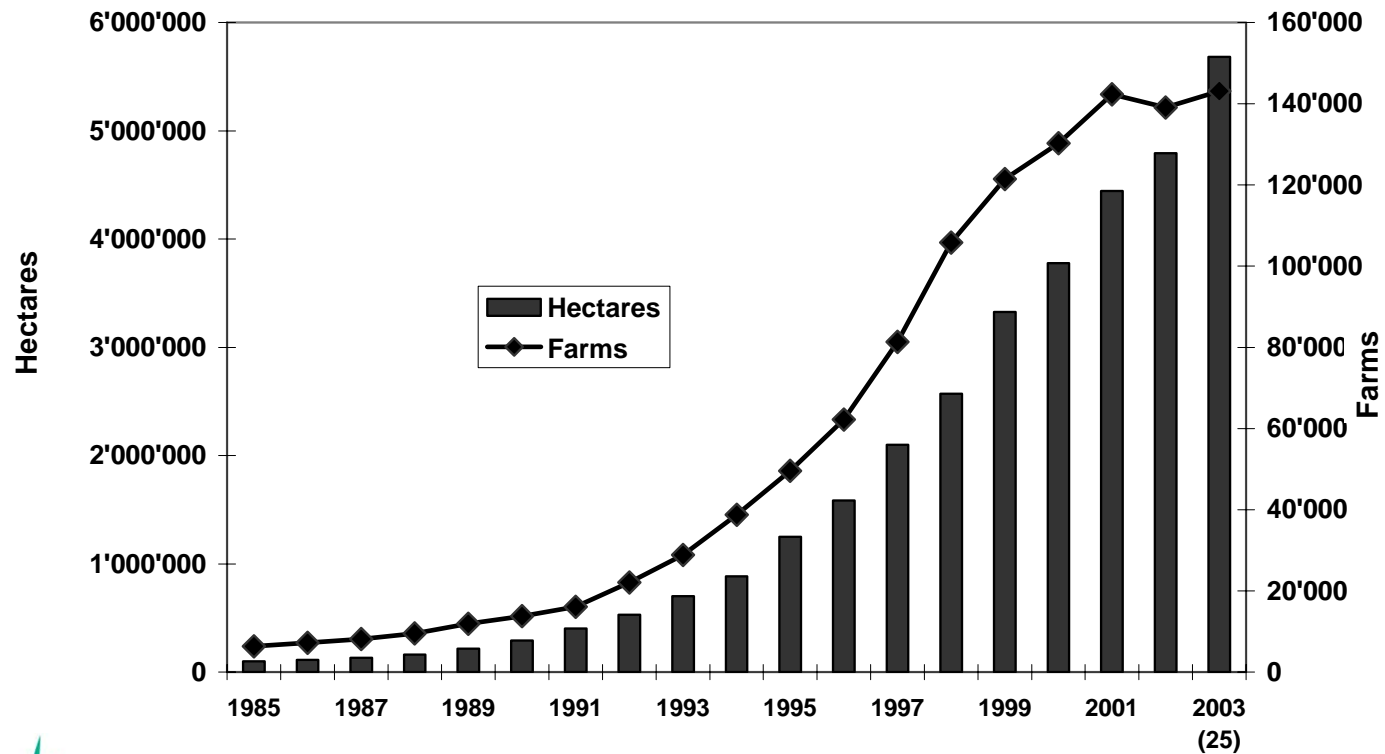
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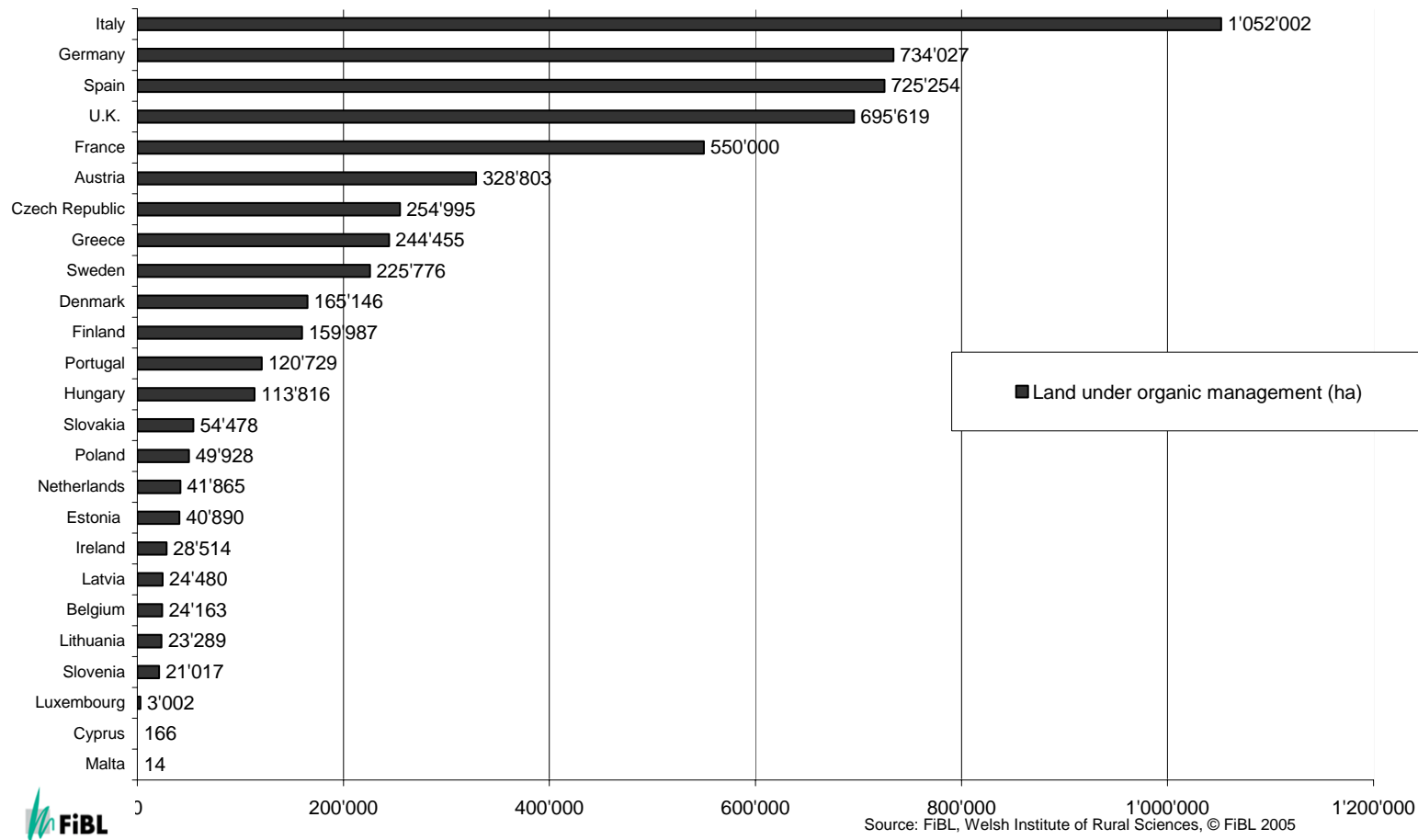


Source: Welsh Institute of Rural Sciences, SÖL, FiBL

Figure 1: Development of Organic Farming in the European Union 1988 – 2003

Source: Welsh Institute of Rural Sciences, SÖL, FiBL

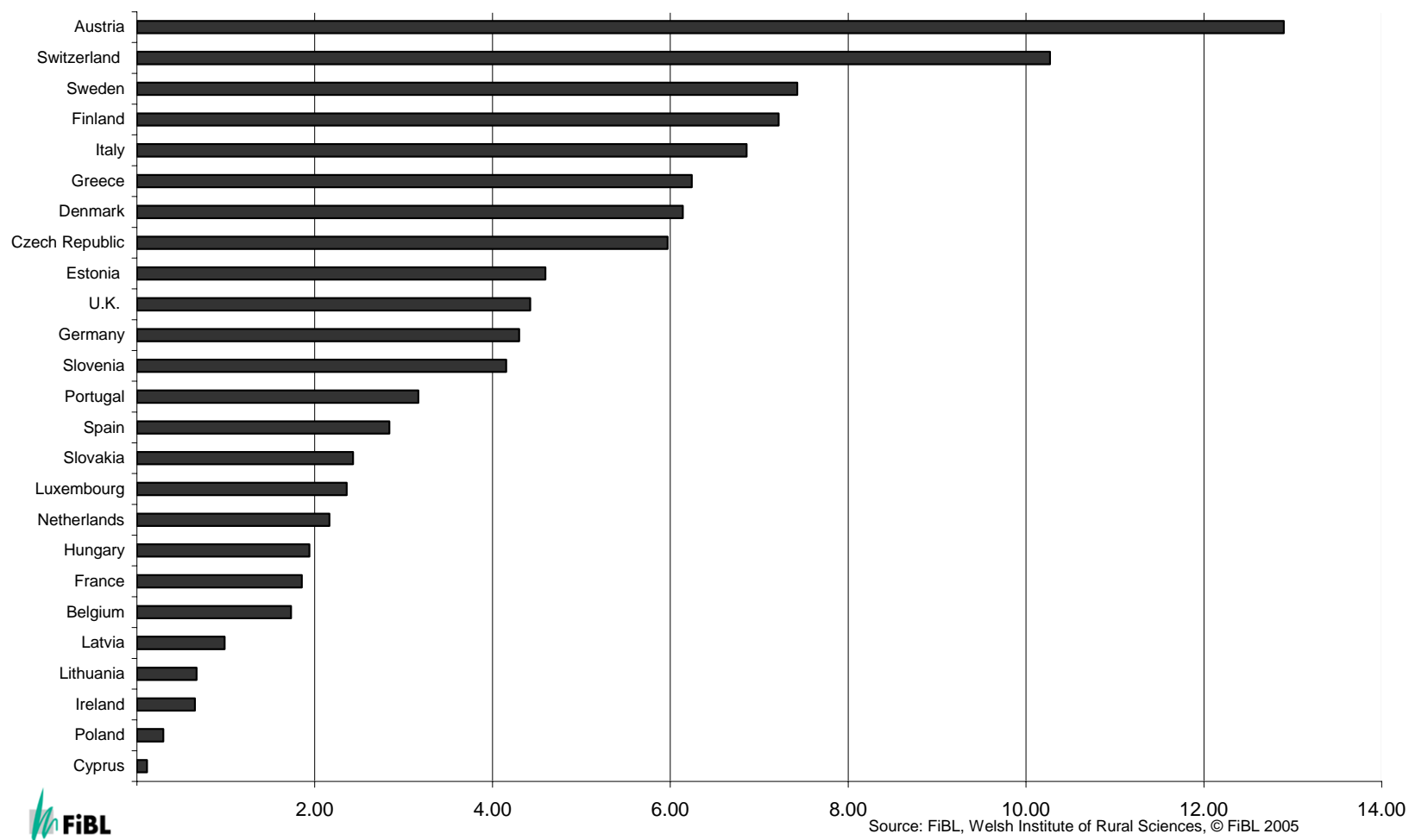




**Figure 2: Land Area under Organic Management in the European Union (25) and Switzerland per 31.12.2003 (provisional)**

Source: FiBL and Welsh Institute of Rural Sciences. For updates please check [www.organic-europe.net](http://www.organic-europe.net)





**Figure 3: Percent of Land under organic management in the European Union (25) and Switzerland per 31.12.2003 (Provisional, not yet consolidated)**

Source: FiBL and Welsh Institute of Rural Sciences. For updates please check [www.organic-europe.net](http://www.organic-europe.net)



# The Current Agri-policy Context: The European Action Plan for Organic Farming and the current CAP Reform

**Matthias Stolze**

**Organic farming development in Europe is mainly determined through the combination of strong consumer demand and policy support. With respect to policy support, organic farmers and stakeholders face new challenges in the EU agricultural policy area: The EU Action Plan for Organic Farming and the Luxemburg Agreements (CAP Reform). This presentation comments on these new challenges and will provide insights on the potential impacts for the organic farming sector.**

## **European Action Plan for Organic Farming**

The purpose of existing national or regional action plans for organic farming is to integrate different, sometimes conflicting, policy measures, in the simultaneous pursuit of multiple policy goals. National action plans so far have been implemented e.g. in England and Wales, France, Spain, Denmark, the Netherlands and the Czech Republic.

The European Action Plan published in June 2004 with 21 action points was the result of a five year process. Many of the action points are already in progress and the responsibility of the Commission. The remaining actions relate to enhancing or encouraging member states to make better use of existing measures. There is, however, no consideration of interaction of organic farming with the main components of the Common Agricultural Policy (CAP) and the new Rural Development Programmes. Furthermore, the Action Plan does not include any targets, and it appears that there is no significant allocation of new resources for the development of organic farming. A highly positive aspect of the European Action Plan is that with this plan the European Commission clearly states the importance of organic farming in the context of the European Agricultural Policy. In this respect the European Action Plan represents a real milestone. Furthermore, with this action plan, the EU recognises the dual societal role of organic farming:

1. Organic land management generating public benefits.
2. Organic food as a direct response to consumer concerns relating to quality, safety and health.

The organic sector should take this involvement of the commission to organic farming as a chance to anchor organic farming more specifically in the new Rural Development Programme.

## **Impacts of the CAP Reform Agreements (Luxemburg Agreements)**

Parallel to the publication of the European Action Plan for organic farming, the Commission decided on the reform of the Common Agricultural Policy. The key elements of this reform are the introduction of dairy payments, the shift of resources to the second pillar – the rural





development programmes -, cross-compliance and new single farm payments. The latter can be seen as the most important reform measure as decoupling direct payments from production is a step towards a more market oriented and entrepreneurial European agriculture and a step backwards from subsidy optimisation.

However, as a result of reduced intensity and stocking rates and a more diversified rotation, average receipts of arable and livestock payments are typically lower on organic farms. This has the potential to penalise producers who were making positive contributions to the environment compared with those who remained intensive and are left with higher levels of single farm payment as a consequence. On the other side, the move to a Single Farm Payment should be beneficial for organic farmers, freeing them to respond even more to market demand.

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Lampkin, N. and M. Stolze (2005) Developing organic farming policy in Europe. Paper submitted to Eurochoices.

#### ▪ Links

EU Project Further development of Organic Farming Policy in Europe, with Particular Emphasis on EU Enlargement  
<http://www.irs.aber.ac.uk/EUCEEOF/>

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# The European Organic Market Between Strong Growth and Consolidation - Current State and Prospects

***Toralf Richter***

**The European Market for organic products continues to grow. The European sales of organic products were estimated to have expanded by about 5% in 2003 to reach approximately 10.5 to 11.0 billion Euro.**

After a market growth of 8 % in 2002 (Sahota, 2004) the market growth reduced speed, but there is considerable variation throughout Europe. Countries like Spain, the UK and many Central and Eastern European countries (in particularly those that joined the EU in May 2004) showed growth rates of more than 10%, whereas - after years of tremendous growth - slower growth is reported from the major European organic markets.

High market penetration has been achieved in countries like Denmark, Austria, Germany or Switzerland through further development of the organic assortments in the big retail companies. The number of regular organic consumers remained stable, even though the number of occasional organic consumers is still increasing.

Comparing European countries, Germany remains the biggest national market in Europe with organic sales of 3.1 billion Euro (nearly one third of the total European market volume). National markets with organic sales volumes of more than one billion Euro of can be found in France, the United Kingdom and Italy (see figure 4). While in Italy, Germany, Switzerland the organic markets grew between two to five percent in 2003, in the UK the organic market continues to grow by ten percent.

In Southern European countries like Spain, Greece or in Central and Eastern European countries, for example the Czech Republic and Hungary, the organic market grew by 15 to 30 percent in 2003, but started from a low level of total organic sales. The organic sales of the Swiss retailer COOP in 2003 were 65 times higher than total organic sales in the Czech Republic, 18 times higher than in Greece or 2.5 times as high as the total organic market in Spain.

The different market development leads to clear differences in terms of per capita consumption of organic produce all over Europe. Switzerland can be considered as the clear organic market leader in Europe, or even the world with an expenditure of more than 100 Euro per capita for organic food, nearly twice the expenditure in Denmark or Sweden, the countries with the second and third highest consumption in Europe.

The main information and figures presented here were compiled as part of a FiBL survey among national experts of the organic sector in November and December 2004 as well as information provided for the Soil Association's Organic Food and Farming report 2004. Like in previous years many of the data are based on estimates. The methods of research behind these figures vary from country to country, as no uniform European data collection system for organic market exists.



## ▪ **Links**

- European Project Organic Marketing Initiatives and Rural Development (OMIaRD)  
[www.irs.aber.ac.uk/omiard/](http://www.irs.aber.ac.uk/omiard/)

- European Project European Information Systems for Organic Markets (EISFOM)  
[www.eisfom.org](http://www.eisfom.org)

## ▪ **References**

Sahota, Amarjit (2004) The Global Market for Organic Food. In *Willer, Helga und Yussefi, Minou (2004) The World of Organic Agriculture - Statistics and Emerging Trends 2005*. International Federation of Organic Agriculture Movements IFOAM), DE-Bonn

Richter, Toralf and Susanne Padel (2005) The European Market for Organic Foods. In *Willer, Helga und Yussefi, Minou (2005) The World of Organic Agriculture - Statistics and Emerging Trends 2005*. International Federation of Organic Agriculture Movements IFOAM), DE-Bonn.

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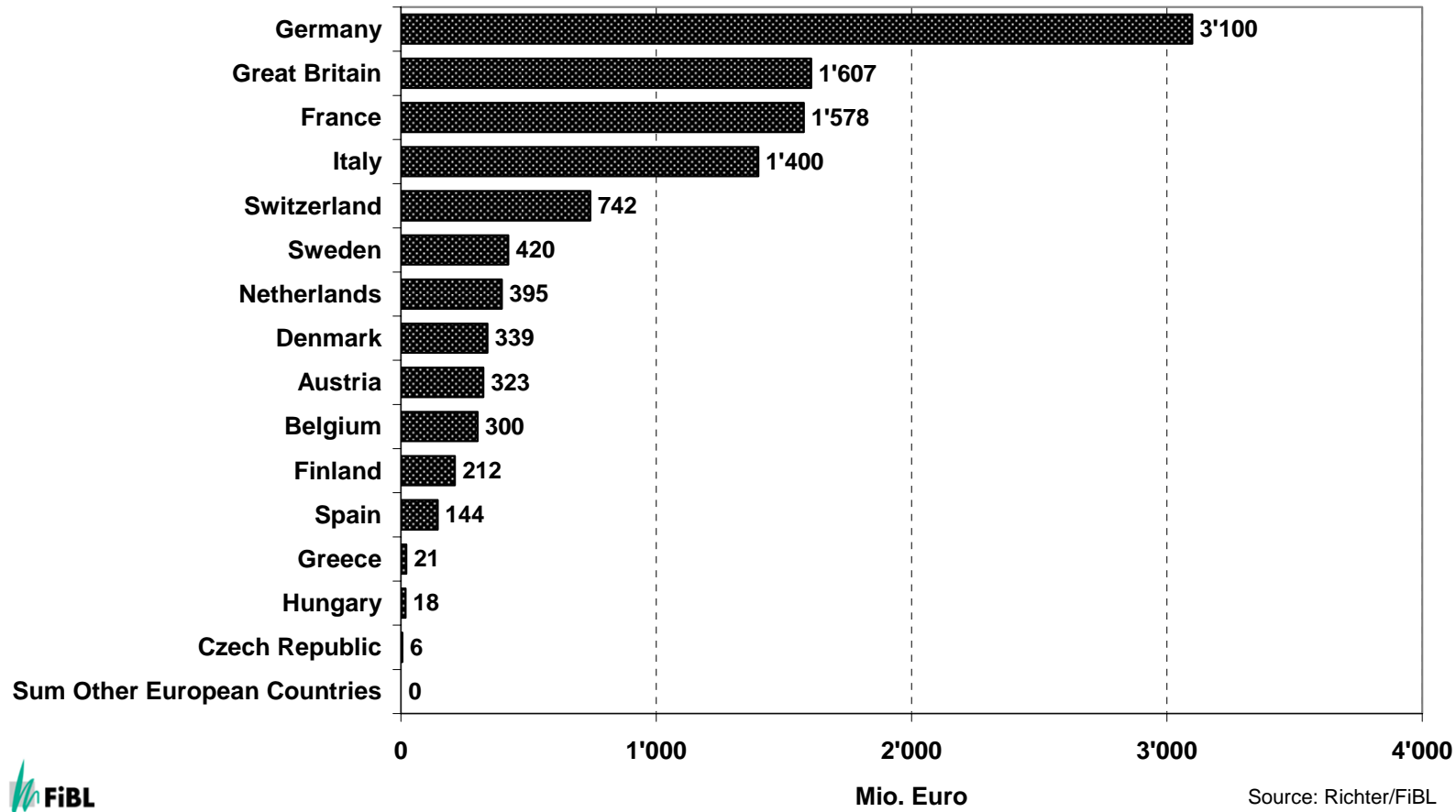


Figure 4: Organic Product Sales in selected European Countries in 2003 (FiBL survey, 2004)

# Organic Farming Research – Definitely out of the Niche

*Urs Niggli*

**Organic farming will play an important role as a driving force for European and world-wide agriculture. To exploit that potential a major increase in organic farming research activities on a country and on a European level is needed, even though the situation is good compared to other parts of the globe: Currently Europe spends up to 80 million Euro (estimate), which is four times the amount spent by the rest of the world for innovation in organic food science.**

“Quality Low Input Food” was the very first research consortium funded by the European Commission under the 6th Framework programme for research, which started in 2004. 32 research institutes with many young agricultural scientists explore the quality of organic food, its potential impact on human health and other ecological and economic benefits for society. A total budget of 18 million will be spent on innovation in organic farming over the next 5 years.

Projects of this size show that the European Commission’s perception of research into organic farming has changed considerably. This was also expressed by the European Commissioner for Research Janez Potocnik in Newcastle on January 7, 2005: “The results of the scientific work must lead to an increase in the quality of life for all citizens of Europe. And I am certain that they will. We must make sure that society understands the actual and potential benefits of ongoing research. I believe that importance of research into organic and low-input food production can be a perfect example of how science can unlock potentials for human wellbeing”.

In Europe, the total state funding for organic farming research is estimated to amount to 70 to 80 millions of Euro annually. That is four times the amount spent by the rest of the world for innovation in organic food science. These figures are only very rough estimations because a lack of conclusive data.

The lack of transparency in the European organic research activities is an important motivation for another EU initiative called CORE ORGANIC. In order to increase trans-national cooperation between member states, the European Commission motivates national authorities to focus their research efforts on common priorities in order to avoid duplications and to accelerate progress. The first result of the joint activities will be a complete directory of all national research projects, research facilities and funding into organic farming in order to have full transparency. Eleven countries are participating in the project.

On the national level, Germany, Netherlands, Switzerland and Denmark are the hot spots for organic farming research, representing 60 % of all national spending on organic farming research in Europe. These four countries contribute significantly to the very innovative role Europe farming research plays in a world-wide context. Especially Germany is – thanks to its federal scheme for organic farming, the BÖL - the heavyweight in organic farming research. The federal scheme spends annually about seven millions Euro on organic farming research,



topped up by another approximately twelve million Euro funded by other federal or regional sources.

Currently, research into organic farming focuses primarily on innovation in production technique (both crop and animal production), in food processing, food marketing and food retailing. This will make organic farming a very competitive way of sustainable food production, respecting environment, landscape, rural development and animal welfare. As there is no alternative to sustainability, organic farming will play a major role as a driving force for European and world-wide agriculture. To exploit that potential of organic farming, many scientists have been put on tracks by national, trans-national and European research funding.

Organic farming can answer many ecological and ethical problems of modern societies. It also counters problems of food quality, malnutrition, obesity and public health costs. These interactions have to be addressed by research in the future.

#### ▪ Links

- European Project Quality Low Input Food  
<http://qlif.org>
- Core Organic Coordination of European Transnational Research in Organic Food and Farming  
<http://www.core-organic.org>

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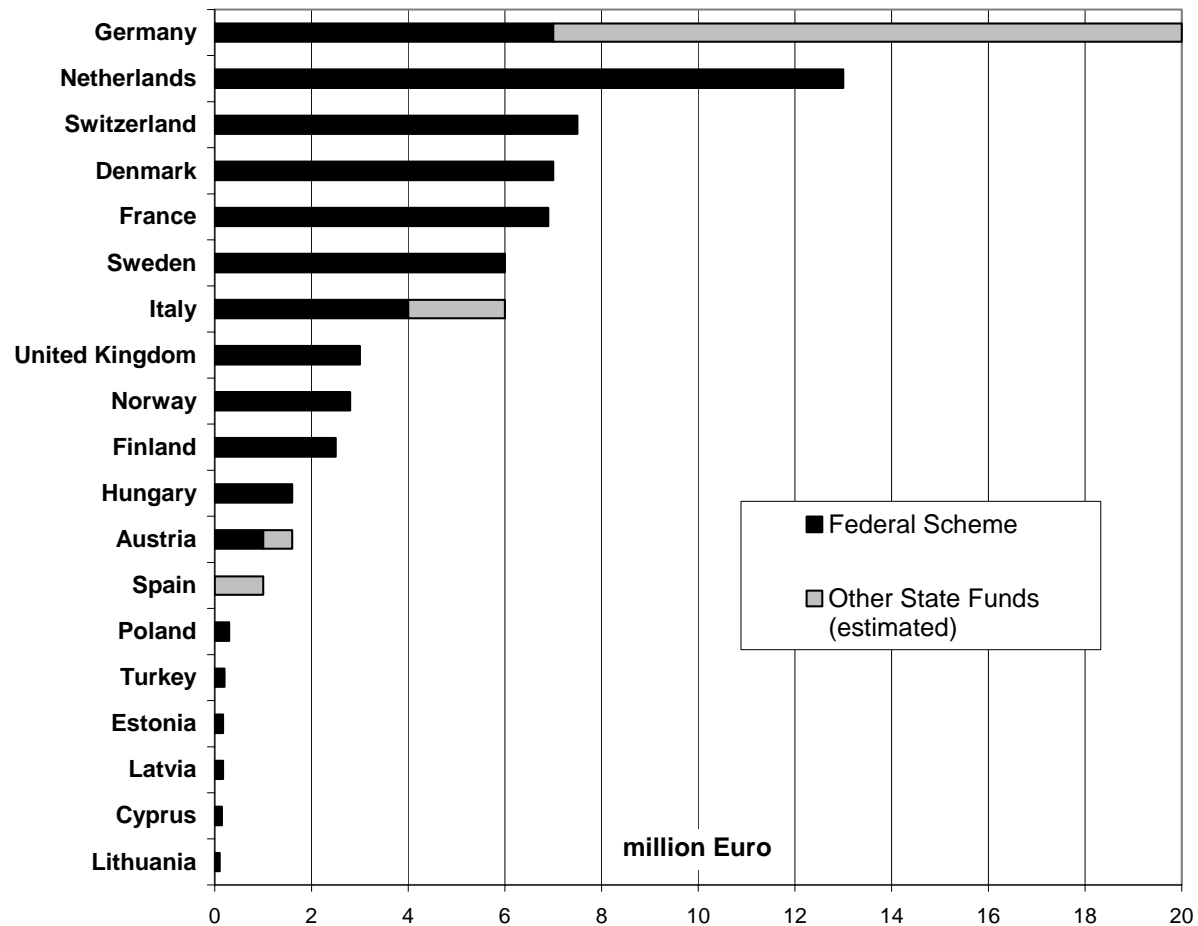
Niggli, Urs (2002) The contribution of research to the development of organic farming in Europe. Presented at: UK Organic Research 2002, Aberystwyth, UK, 26-28th March 2002; Published in *Proceedings of the UK Organic Research 2002 Conference*, pp. 19-24. Organic Centre Wales. Archived at <http://orprints.org/558/>

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**Figure 5: Funds for organic farming research in different European countries.**

The black area of the bars are data given by the government for their federal schemes. The grey area is estimated to be additional funds by other federal or regional authorities. No organic research funding (or no information available) in Slovenia, Malta, Luxemburg, Ireland, Bulgaria and Belgium.

# ***FiBL-Publications from European Organic Farming Research Projects***

## ***Development of a European Information System for Organic Markets - Improving the Scope and Quality of Statistical Data. Proceedings of the 1st EISfOM European Seminar held in Berlin, Germany, 26-27 April, 2004***

Edited by Guido Recke, Helga Willer, Nicolas Lampkin and Alison Vaughan (Editors). FiBL, Frick, Switzerland, 2004, 254 Pages, order no. 1339, ISBN 3-906081-53-2. 30 CHF, 20 EUR

The proceedings of the first European Conference about data collection in organic farming include more than 50 papers, covering aspects organic farming statistics (farm structures and production; farm incomes and prices; the supply chain and trade; retailers and consumers: supply balances and policy evaluation). The conference was organised by the project European Information System for Organic Markets ([www.eisfom.org](http://www.eisfom.org)).

## ***Current Evaluation Procedures for Plant Protection Products Used in Organic Agriculture. Proceedings of a workshop held September 25 - 26, 2003 in Frick, Switzerland***

Edited by Speiser, Bernhard and Otto Schmid. Research Institute of Organic Agriculture FiBL, Frick, Switzerland 2004, 101 Pages, order no. 1341, ISBN 3-906081-55-9. 22 CHF, 15 Euro.

The articles in this volume describe the evaluation procedures for plant protection products used in organic agriculture. They summarize the situation in various (mainly European) countries and the evaluation procedures and criteria for international institutions. This volume of proceedings was produced as part of the European Project Organic Inputs Evaluation. Project information is available at [www.organicinputs.org](http://www.organicinputs.org).

## ***Assessment of the Socio-Economic Impact of Late Blight and State of the Art of Management in European Organic Potato production Systems***

By Tamm, L.; Smit, A.B.; Hospers, M. and Jannsens, S.R.M.; Buurma, J.S.; Mølgaard, J.P.; Lærke, P.E.; Hansen, H.H.; Bødker, L.; Bertrand, C.; Lambion, J.; Finckh, M.R.; Schüller, C.; Lammerts van Bueren, E.; Ruissen, T.; Solberg, S.; Speiser, B.; Wolfe, M.; Phillips, S.; Wilcoxon S.J. & Leifert, C. Research Institute of Organic Agriculture FiBL, Frick, Switzerland, 2004, order no. 1340, ISBN 3-906081-54-0

In Europe, late blight, caused by *Phytophthora infestans*, is the most devastating disease affecting organic (and conventional) potato production. The extent of economic damage varies between European regions. Copper has been the single most important control agent in organic late blight control. Therefore, the reduction or an eventual phasing out of copper use will have varying impacts in different regions. This report presents the results of a detailed survey conducted in 7 European countries as part of the European funded project Blight-Mop.

## ***Underlying Principles in Organic and "Low-Input Food" Processing – Literature Survey***

Edited by Otto Schmid, Alexander Beck and Ursula Kretschmar. Research Institute of Organic Agriculture FiBL, Frick, Switzerland, 2004, ISBN 3-906081-58-3

This literature review about processing of organic and low-input food describes the underlying principles, the regulatory framework, problem areas as well as consumer expectations and concepts of food processing companies. The study was conducted within the EU funded Integrated Project Quality Low Input Food ([www.qlif.org](http://www.qlif.org))

## ***A Guide to Successful Organic Marketing Initiatives***

By Otto Schmid, Ulrich Hamm, Toralf Richter, Andrea Dahlke. FiBL, Frick, OMIARD Publication, Volume 6, 2004, 210 Pages, Order no. 1338, ISBN 0-9543279-5-5. 30.00 CHF, 20.00 EUR

The handbook provides information, based on the business and marketing ideas developed in the EU research project OMIARD. It provides useful advice on the market and policy issues to take into account, and on preparing to establish a new business with farmer participation, managing the start-up phase, and on into consolidation of a mature enterprise. It will be useful for organic farmers, enterprise managers, and practitioners in rural and regional development. Further publications from the project can be ordered via the OMIARD-Homepage at <http://www.irs.aber.ac.uk/omiard/>

***The publications may be ordered via the FiBL shop at [shop.fibl.org](http://shop.fibl.org) or directly from the Research Institute of Organic Agriculture FiBL, Ackerstrasse, CH-5070 Frick, Tel. +41 62 8657 272, Fax +41 62 8657 273, E-mail [info.suisse@fibl.org](mailto:info.suisse@fibl.org); Internet [www.fibl.org](http://www.fibl.org)***

