



**Federal Agriculture
Research Centre**

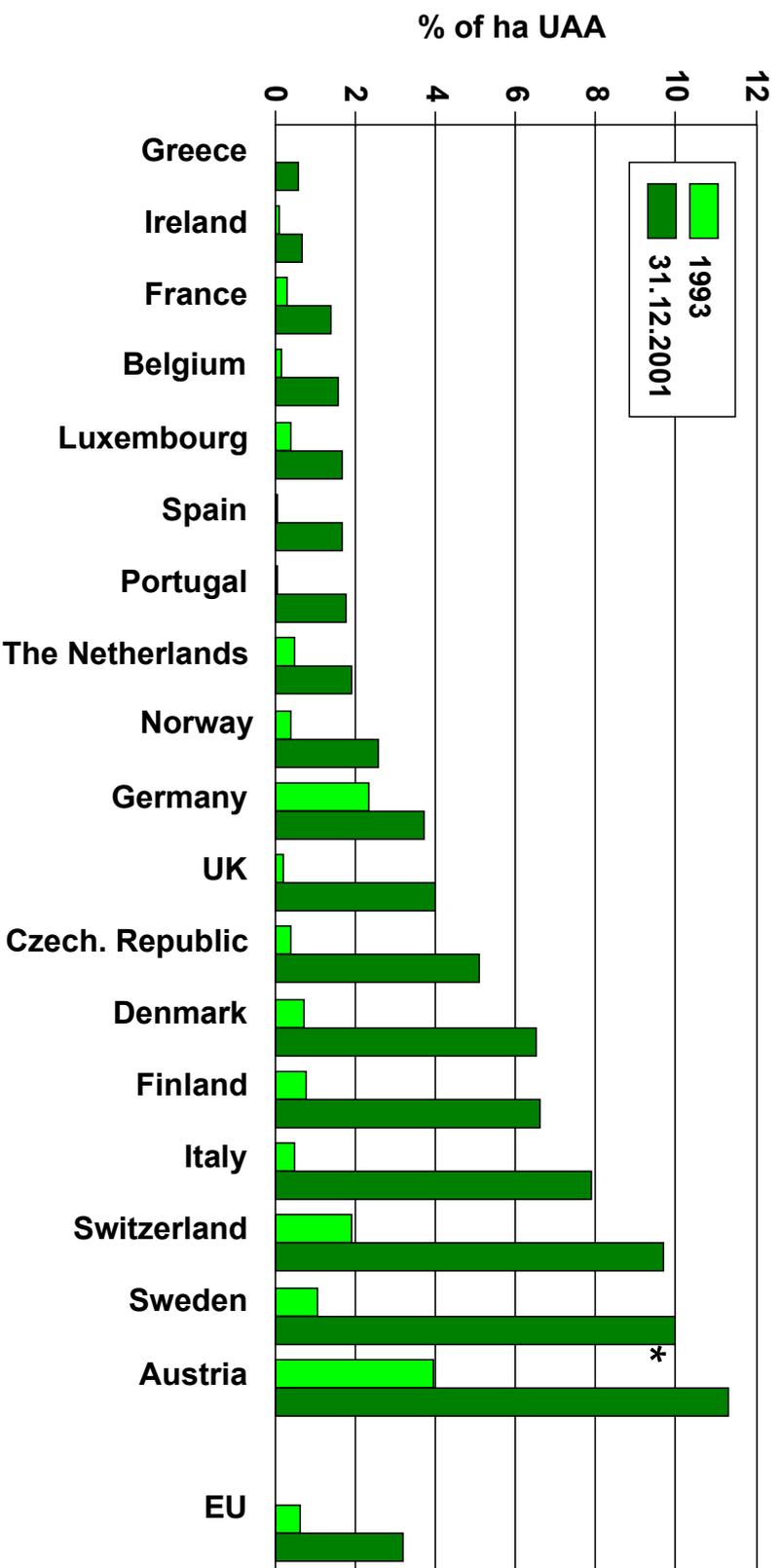
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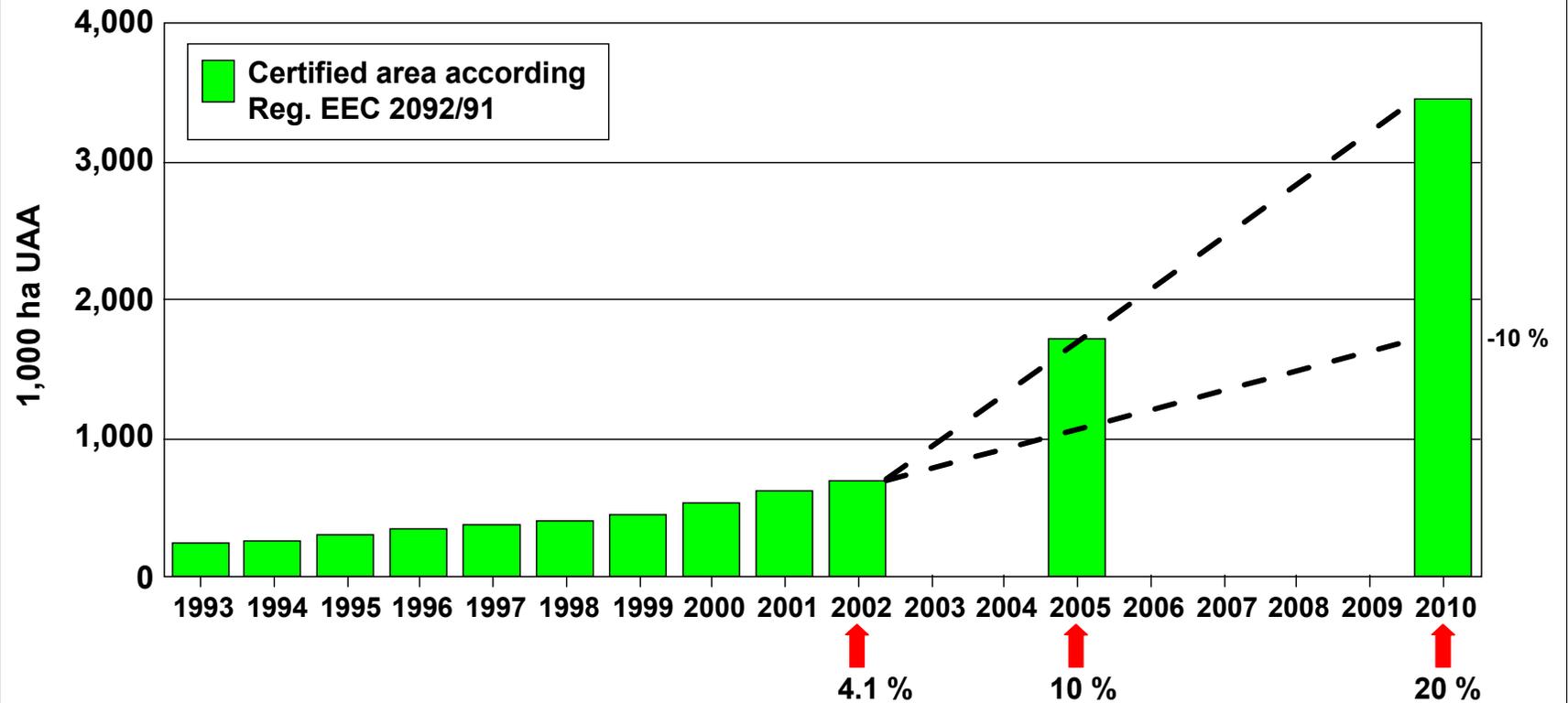
The Promotion of Organic Farming in Germany

September 2003

Development of organic land area in Europe



Development of organic land area in Germany



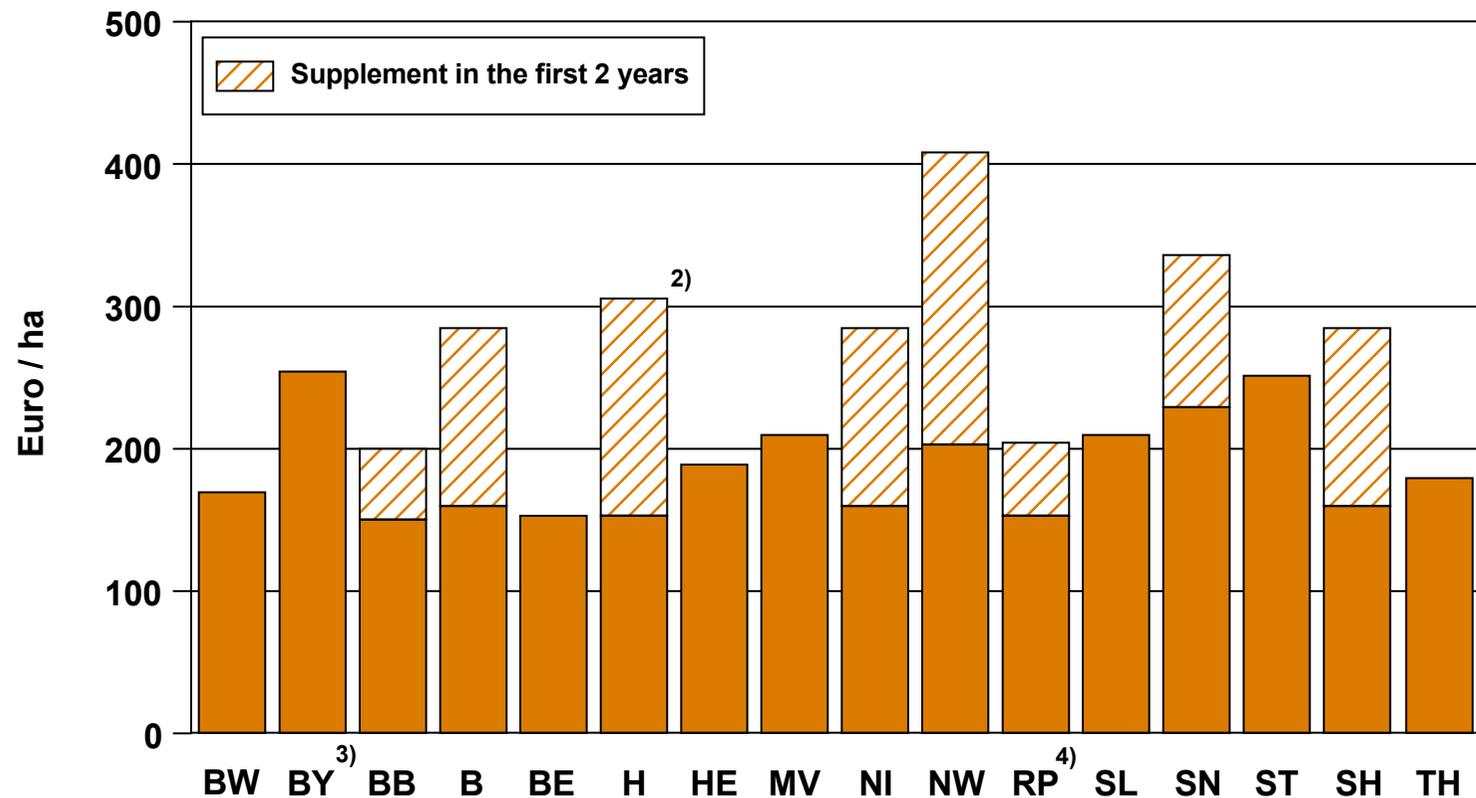
Why promote organic farming?

„The production of organic products is environmentally sound to a high degree, it conserves resources and, in the case of surplus products, eases the burden on agricultural markets, whilst safeguarding jobs especially in rural areas.“
(BMVEL 2003).

1. **External Effects:** Organic farming has less detrimental effects on the environment than conventional farming.
2. **Small size of sector:** With state funding, organic farming should reach a distribution level, above which it can use effects of economies of scale and develop under its own power.
3. **Risk protection:** A society which gives organic farming adequate opportunity to unfold and develop is better equipped against the risks of technical development in agriculture.

Payment rates of the conversion to organic farming in different regions (Länder) of Germany, 2002/2003

Arable land ¹⁾



1) Arable land without vegetables. Payment rates for vegetable area varies from 102 to 1,023 €/ha depending on the regions.

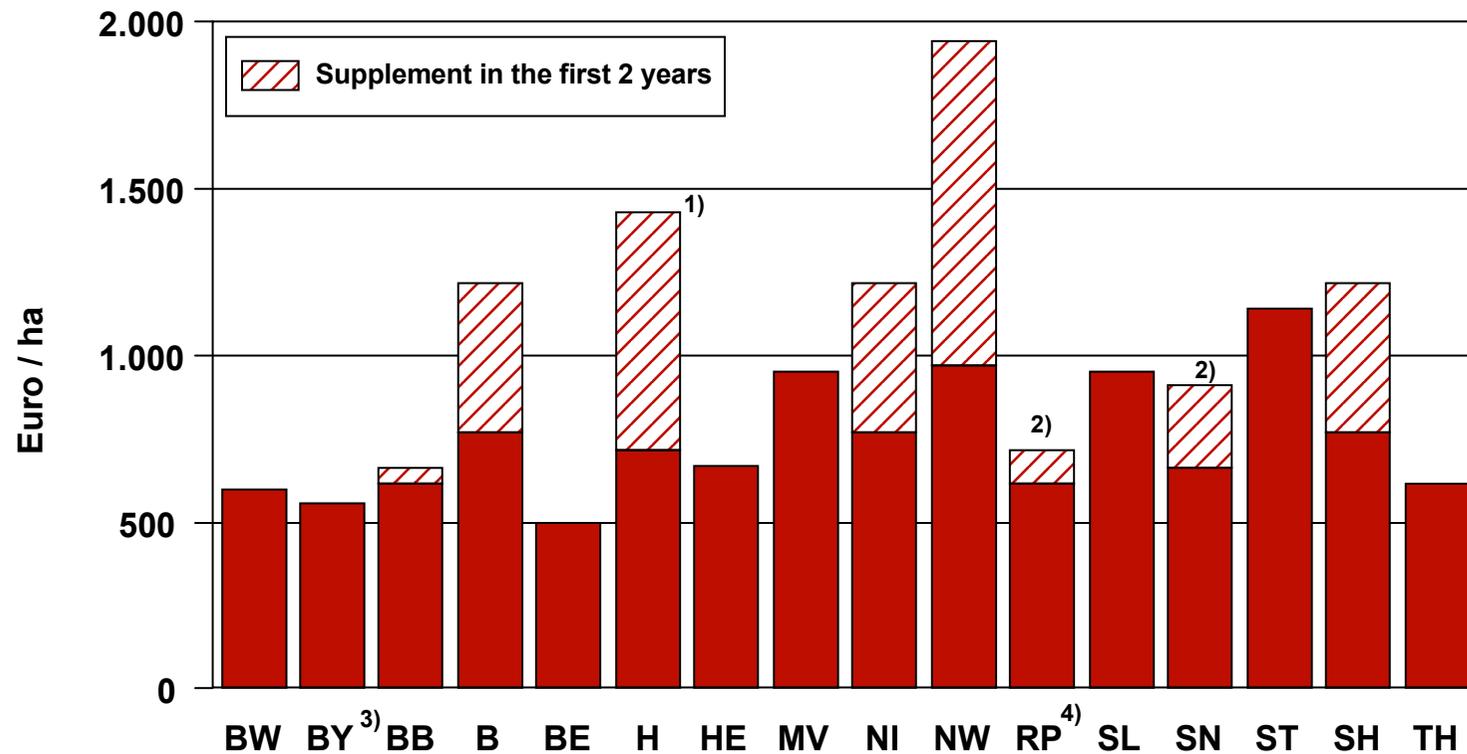
2) Hamburg pays a supplement in the first 2 years of 153 €/ha for arable land, permanent pastures and meadows. and with max. 15,000 €/farm and year

3) Max. 18,400 €/farm and year.

4) Max. 17,895 €/farm and year.

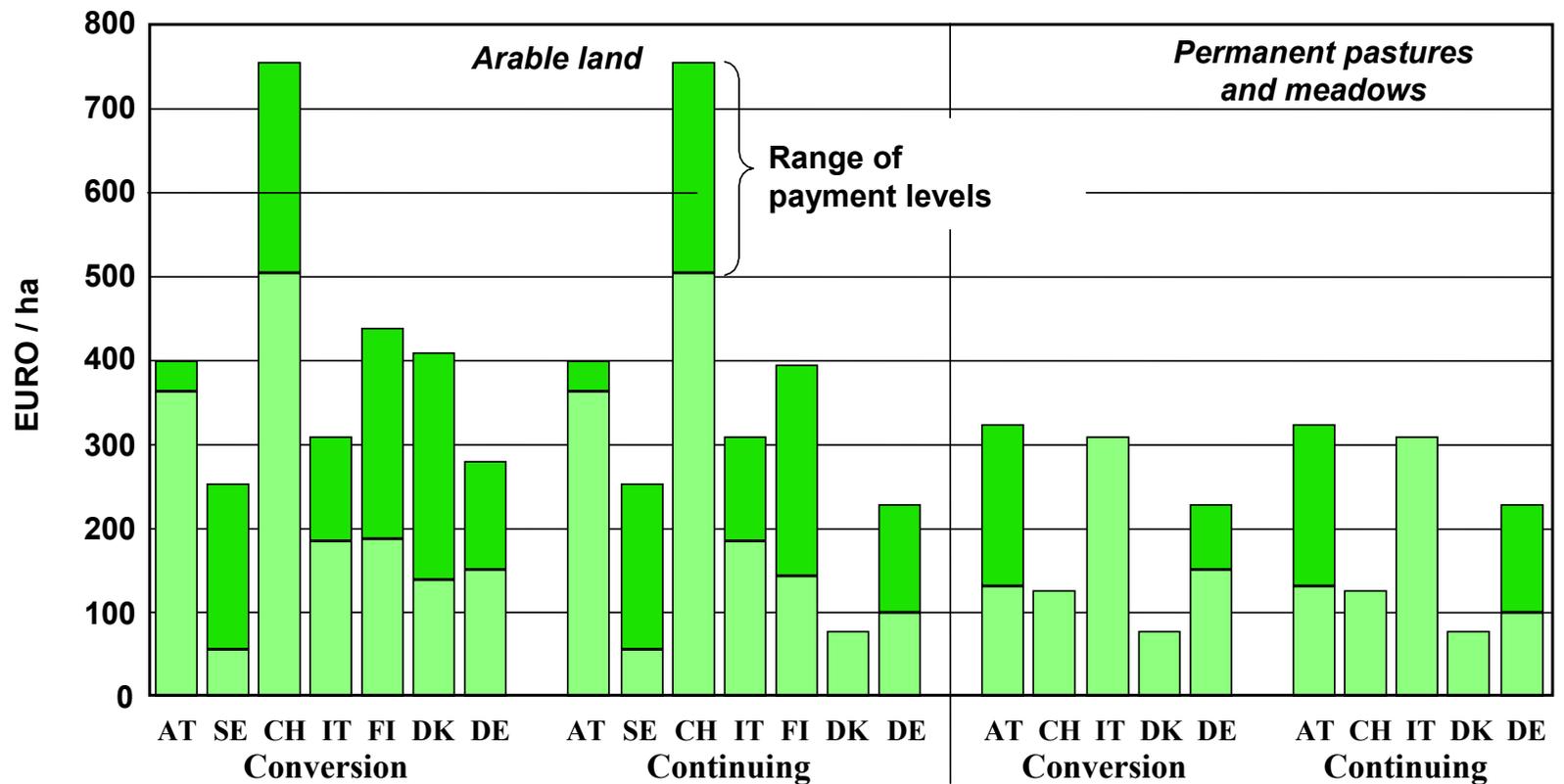
Payment rates of the conversion to organic farming in different regions (Länder) of Germany, 2002/2003

Permanent crops



- 1) Hamburg pays a supplement in the first 2 years of 716 - 2,045 €/ha with a maximum of 15,000 €/farm and year.
- 2) Only in the first 3 years.
- 3) Max. 18,400 €/farm and year.
- 4) Max. 17,895 €/farm and year.

Comparison of payment rates for organic farming in selected European countries (2000/2001)



Further national measures

Agricultural investment aids programme (AFP)

- reduced interest
- subsidies of up to ten percent of the acceptable investment volume, maximally 30,000 € for organic farms, particularly animal appropriate husbandry systems, diversification, reduction of emissions, energy savings

Promotion of the processing and marketing of organically produced agricultural products

- Organizational costs for farmer cooperatives
- Investments and the elaboration of marketing concepts for producer cooperatives and processing and marketing enterprises, which work together on a contractual basis

Federal Programme for Organic Farming

Goal of the Federal Programme

- The goal of the federal programme is to improve the framework conditions for a further expansion of organic farming in Germany.
- Sustainable growth is strived for, which is based on a balanced expansion of supply and demand.

Framework conditions

- In 2002 and 2003, funds of about € 35 million are available annually for the federal programme.



Federal Programme for Organic Farming

- Overview of individual measures -

Set A: Agricultural production

- A1 The central Organic Farming Internet portal
- A2 Development of information material on organic farming for classroom instruction at agricultural vocational schools and agricultural trade and technical schools
- A3 Continuing training for advisers, veterinarians and heads of working groups
- A4 Grants to cover the cost of obtaining conversion advice
- A5 Informational events on organic farming for active and young farmers
- A6 Establishment of a network of demonstration farms
- A7 Development and production of film reports
- A8 Presentation of organic farming at agricultural trade fairs

Set B: Primary marketing and processing

- B1 The central Organic Farming Internet portal
- B2 Information material on the processing of organic produce for use in basic and continuing training activities in the food sector and food industry
- B3 Information for the food industry
- B4 Presentations at food industry trade fairs to demonstrate the processing of organic produce
- B5 The Organic Food Innovation award

Federal Programme for Organic Farming

- Overview of individual measures -

Set C: Trade, marketing and consumers

C1 The central Organic Farming Internet portal

C2 Consumer information about the organic farming productions system

- * Information campaign
- * Press and media work
- * Experience Organic Food days
- * Traveling exhibits, information stands, decentralized events
- * Events for young people
- * Games for pre-schoolers
- * Film competition with events
- * Coordination with producers and trade

C3 Set up a photographic archive on organic farming

C4 Information material on organic farming for use in schools offering general education

C5 The Organic Farming at School competition

C6 Information for persons working in food retailing and in health food retailing

C7 Concepts, check lists and manuals for evaluation of the presentation of organic produce at various sales outlets

C8 Information on the use of organic produce for the restaurant trade and industrial caterers

C9 Awards to cooks who use organic produce

D/E: Research and development projects and measures for the transfer of technology and knowledge

Organic farming in selected European countries - land area used 2001 and political goals -

	% of UAA	Goal
Germany	3,7	20 % of UAA until 2010
Austria	11,3	~13,5 % of UAA until 2006
Sweden	~10,8	20 % of UAA until 2005
Italy	7,9	10 % of UAA until 2005
Finland	6,6	10 % of UAA until 2006
Denmark	6,5	10 % of UAA until 2003
Czech. Republic	5,1	10 % of UAA until 2010
UK	4,0	Increase in the self sufficiency rate from 30 % to 70 %
The Netherlands	1,9	10 % of UAA until 2010
Belgium	1,6	5 % of UAA until 2005
France	1,4	3 % of UAA until 2005
Hungary	1,3	5 % of UAA until 2006
Ireland	0,7	3 % of UAA until 2006

Summary and outlook

- The promotion of organic farming has developed dynamically in the past decades.
- A large number of promotional measures are currently offered.
- Land area payments remain the emphasis of the promotion, although to a lesser extent.
- The expansion of organic farming will be achieved above all through higher and more permanent area payments, accompanied by a mix of other promotional measures.
- New political measures are strongly targeted to consumer information, market development, training, extension, the development and transfer of technology and research.
- There are large differences in the form and extent of the promotion, both between the German federal states and between the European countries.

Summary and outlook

- Most European countries have developed clear goals with regard to the expansion of organic farming (critically seen from an economic perspective, but psychologically important and a sign for the calculability of policy).
- In many countries a trend to increasing promotional funding – above all to stimulate own production – can be discerned which could lead to a subsidy competition.
- The promotion of organic farming has been largely built up in the past few years, but still is only a comparably "small piece of the pie."
- Even if the view that organic farming can best be promoted through integration of the overall value chain has become prevalent, serious action is still required despite first positive approaches in Germany (above all in the co-operation between national and state governments and different programmes).
- With the help of an integrative strategy concept (action plan) the various promotional measures could be better co-ordinated.