

# **Organic farming – an alternative for rural development**

(Learning from the Dutch experience)

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## **Abstract**

The last decade of the 20th century has seen towering difficulties in agriculture, such as overproduction, degradation of the environment, nature deterioration and the depopulation of rural areas. In The Netherlands, these problems have arisen with a specific urgency, calling for immediate solutions. As they affect the entire rural population, their settlement requires a much broader scope than that of the agriculture.

Experts in the EU have recognised that integrated rural development is the only answer to the crisis. Organic farming, a key element of this trend, is a viable alternative to traditional agriculture because it can challenge almost each of the above-mentioned problems. Sustainable methods of production help to restore the balance in nature and to keep the environment clean. They also provide customers with healthy products, while ensure a decent income for the producers. Last but not least, they can play a role in alleviating the problem of overproduction.

## **Zusammenfassung**

Im letzten Jahrzehnt des 20. Jahrhunderts haben sich in der Landwirtschaft ernsthafte Probleme angehäuft, wie z.B. die Überproduktion, die Umweltverschmutzung, die Degradation der Naturelemente und die Entvölkerung der ländlichen Gebiete. Mit diesen Fragen müssen sich die Niederlande besonders heftig beschäftigen, so daß das Aufstellen einer befriedigenden Antwort beinahe unumgänglich geworden ist. Die Schwierigkeiten können innerhalb des schmalen Spektrums der Agrarwirtschaft nicht aufgelöst werden, denn sie beeinflussen die Wohlfahrt der ganzen ländlichen Bevölkerung.

Experten in der EU haben bereits erkannt, daß die dringenden Fragen einzig und allein durch die integrale Landentwicklung zu beantworten sind. Als ein Kernelement deren bietet der organische Landbau eine plausible Alternative gegenüber der herkömmlichen Produktionsmethoden an, weil er beinahe alle obengenannten Probleme adressiert. Haltbare Methoden können helfen, das Gleichgewicht in der Natur wiederherzustellen und die Umwelt sauber zu halten. Sie versorgen die Konsumenten mit gesunden Produkten und sichern dabei den Produzenten ein angemessenes Einkommen zu. Zuletzt können sie auch zum Stoppen der Überproduktion beitragen.

## **Key words:**

Rural development  
Organic farming  
European integration

## **Introduction**

In recent days agricultural production is facing with a double challenge. The conventional way of production is causing problems in the 15 EU Member countries and especially in The Netherlands but in many other countries as well. From the production side the EU is fighting with overproduction mainly because of too intensive production what indirectly makes more and more people to be concerned about the environment. From the consumption side the demanding consumers are looking for more healthy, high quality products, asking for traceability and caring about animal welfare.

There are two more factors to be considered namely high competition and low profitability despite of intensive production methods. These factors are largely responsible for financial uncertainty among farmers.

These complex problems are asking for viable solutions. Taking into consideration the above mentioned difficulties, for the European Markets only a lower amount of production is needed with a constant high level of quality without chemical residues which can provide an acceptable level of income for the producers.

For all these criteria there is a possible way of production which can fulfil all the requirements – this is the organic or ecological farming that can supply an alternative for rural development.

In the last decade it was a trend, what is still going on, that the number of consumers switching from traditional to organic products has been gradually increasing in the well-developed Western-European countries especially in Germany, Great-Britain, France, Austria, Switzerland, Luxembourg, Denmark, Sweden, etc. The market-share of organic products has reached 5-10% in these countries and estimated to reach 20% in the next 5 years. This tendency can be witnessed in other, less-developed countries as well but because of the sometimes 2-3 times higher prices only well-situated people with high purchasing power can afford these products.

In The Netherlands the situation is a bit different because the consumption did not grow as much as the production. Due to the low, 2-3%, domestic demand most of the organic products go to foreign markets mainly countries mentioned above. The reason for the slow change is the old habit, traditions and the higher price. (II)

## **Historical background**

In the Netherlands rural development has a long history dating back several decades in time. After World War II when there were big food shortages the main objective of the Dutch Government was to support farmers in order to be able to supply the home market with sufficient food and not to be dependent on foreign countries. With regards to the considerably high governmental and EU subsidies the level of production in the '60s and '70s has increased rapidly. Farm sizes, mechanisation and the use of fertilisers have risen which has resulted a significant growth in productivity. Thanks to this Holland became one of the biggest exporter of agricultural, horticultural and floricultural products.

Regarding to the high intensity, problems have started to occur in the '80s and '90s meaning the overproduction, depopulation of rural areas and the environmental problems due to the excess use of fertilisers and too high animal density per hectare. Using too much nitrogen and phosphorus has resulted in too high nitrate and phosphate levels in the ground water making it unsuitable even for agriculture threatening the drinking water supply. Because of intensive agriculture natural areas have disappeared, animal and plant species has died out or got

endangered causing an almost irreversible unbalanced situation in the nature. These difficulties have effected not only the Netherlands but other EU countries as well. To tackle these problems a completely new approach was needed. EU agricultural experts have started a long and tiring debate, which is still going on, how to change the former system of agricultural subsidies and the CAP<sup>1</sup> itself to regain a well-balanced system of agricultural production and rural development.

There was a significant breakthrough accepting the reforms in 1999 on the Berlin summit laid down in the document Agenda 2000. With this document the emphasis has shifted from basic agriculture to rural development. (IV)

### **The Dutch system of rural development (the main lines)**

In the Netherlands the government in the year 1999 has developed a new strategic program for rural development and has laid down concrete objectives to be reached in the programming period. This gives a framework in which rural development projects have to be fitted in and helps to guide projects to reach the desired results.

There are four main areas of Rural Development:

- Rural Infrastructure,
- Water Management,
- Land Consolidation,
- Landscaping and Nature Management.

In earlier times Water Management and Land Consolidation were the two main fields meaning that most of the projects were implemented with these two fields in focus. Rural Infrastructure is still important but there were hardly any projects dealing with Landscaping.

At resent times the most attention is given to

- nature friendly agriculture,
- nature development,
- nature management,
- recreation,
- ecological corridor system,
- *organic farming* and
- multifunctional agriculture with alternative income possibilities.

The main idea is to create less or non-polluted rural- and nature areas, which are not only suitable for living but also can give opportunities for tourism and recreation. This is the reason why organic farming is becoming more and more important. (V)

### **The advantages and disadvantages of organic farming**

<i>Advantages:</i>	<i>Disadvantages:</i>
1. No or only minimal harmful effects on the environment	1. Higher risk in production
2. Healthy products – satisfied customers	2. Higher level of expertise is necessary
3. Provides a decent income for farmers	3. More handwork is needed
4. Good market possibilities – big demand	4. Higher prices
5. Helps to preserve nature	
6. The average yield is lower which can help to solve the overproduction problem	

<sup>1</sup> Common Agricultural Policy

As we look at the advantages we can see that they may provide a possible solution for the resent problems in agriculture and rural development.

Applying the principles of organic farming will contribute to cleaner environment meaning mainly cleaner soils and water.

The produced food is free from chemical residues what is a growing concern of today's consumers.

These healthy products can be sold for a higher price providing a reasonable income for producers.

So far the market of organic products still an expanding market living space for newcomers. The level of competition among organic producers only marginal yet. Most likely this will change in the future and competition will grow bigger.

Due to its minimal harmful effects on the environment and the nature it can help to preserve the ecosystem and the bio-diversity.

As the EU is already struggling with overproduction the lower average yield of organic products may help to overcome this problem. (I)

Looking at the disadvantages we can find that the higher risk is still manageable by using resistant varieties and complex production systems, which are already worked out.

The higher level of expertise is possible to obtain by attending relevant courses or hiring a specialist and at the same time it also will contribute to managing risk.

The need for more handwork can be a problem especially in countries with low agriculture oriented population. But because organic farming is working with a higher profit margin, farmers can afford to hire workers for a higher salary.

Higher prices make the products affordable for only the upper class customers especially in less developed countries but they reflect the higher input needed to produce such kind of products. Sometimes the prices may include some snobbery, which can not be avoided.

Comparing the advantages to the disadvantages it is obvious that the benefits to be achieved are much higher than the possible drawbacks. Most of the disadvantages can be overcome by good management while in some countries the extra handwork needed is an advantage because by this more people can find job for himself lowering the unemployment rate. (II)

## **Conclusion**

Considering the thriving and deepening problems in today's agriculture it can be concluded that only a broad approach can offer sustainable solutions. The overproduction, environment degradation, nature deterioration, depopulation of rural areas is not only the problem of the agricultural sector but of the whole rural population. Recognising the situation nowadays the emphasis is shifting from agriculture to integrated rural development where a complex solution can be worked out to tackle all the existing problems.

Rural development has many alternatives in which organic farming can be an answer to most of the questions keeping in mind that it can not solve all of them. Switching to organic farming does not need big sacrifices from farmers only some investment to specialised knowledge and human resources but the benefits to be gained are substantial.

Organic farming is not a miracle but can be a viable alternative and a possible solution for the problems in agriculture and rural development.

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