

Executive Summary

Objectives and scope of the evaluation

The first EU legislation on organic farming, Council Regulation (EEC) 2092/91 in 1991, has been identified as one important driving force for the development of the EU organic farming sector. It provided a legal definition of organic farming through production rules and defined control and labelling requirements. This provided a basis for protecting consumers and organic farmers against false and misleading organic claims. Following on from the European Action Plan for Organic Food and Farming, the original regulations have been substantially revised, resulting in Council Regulation (EC) 834/2007 and additional implementing regulations. This report presents the results of an evaluation of the relevance and effectiveness of Council Regulation (EC) 834/2007 and its implementing rules with respect to the objectives of the Regulation and the objectives of organic production as laid down in the Regulation.

The study consists of three parts:

Part A provides a **concise description** of the

- development of the EU organic sector and the world market in organic products;
- support measures applied to the EU organic farming sector;
- applicable organic farming legislation and its development;
- model of the intervention logic of the legislation.

Part B answers eight **evaluation questions** used to assess the Regulation with regard to the

- adequacy of the scope;
- adequacy of the production and processing rules;
- adequacy of the overall control system;
- adequacy of the import regime;
- consumer perceptions of organic farming;
- degree of simplification of the current legislative measures compared to the legal framework applicable before 2009;
- creation of EU added value through the EU legislative framework for organic farming;
- contribution to the sustainable development of the organic farming sector.

Part C draws **overall conclusions and policy recommendations** and indicates areas for improvement.

The evaluation covers 27 EU Member States (Croatia has not been considered) but focuses on 13 case study countries¹ to examine in detail the different aspects of implementation of measures laid down by the legislation. The period under examination is from 2009 onwards. However, the period since 2000 is used as a reference point to encompass the situation governed by the previous legislation on organic farming.

Descriptive part

Development of the EU organic sector and the world market in organic products

In 2011, more than 9.5 million hectares were managed organically on nearly 240 000 farms in the European Union. This corresponds to an average share of 5.4 % of the total agricultural area. In recent years, the organic farming sector has experienced a dynamic evolution. In the 27 Member States, the organic area has more than doubled between 2000 and 2011 and expanded by 53 % between 2005 and 2011, i.e. after the accession of the Central and Eastern European countries. However, the bulk of this expansion occurred mainly in only a few countries: Spain, France, Germany and Poland. A similar dynamic development can also be observed in the demand for organic food. The total value of the EU-27 organic market was approximately 19.7 billion EUR in 2011. By far the largest organic market in the EU was Germany with 6.6 billion EUR. Sales per capita were particularly high in Denmark (162 EUR), Luxembourg (134 EUR) and Austria (127 EUR). Not surprisingly, the EU-12 countries have relatively low market values and per capita consumption. The current situation of organic supply and demand in EU Member States is also reflected in the numbers of processors and importers. These are located mostly either in countries characterised by a large organic market, a large organic area or both. From a global perspective, the EU organic farming sector is one of the key players with a 26 % share of the global organic area and the second largest market for organic food in the world.

Support measures applied to the EU organic farming sector

Support for organic farming is provided in a variety of different ways across EU Member States. Most Member States have implemented specific area payments to compensate for additional costs or income foregone resulting from organic management. Payments have been implemented under Axis 2 (Improving the environment and the countryside) of their rural development programmes (RDP)² or under Article 68 of Council Regulation (EC) 73/2009³ (Specific support to farmers). A large number of Member States or regions have also implemented support

¹ Austria, Bulgaria, Czech Republic, Denmark, Estonia, France, Germany, Italy, Netherlands, Poland, Slovenia, Spain, United Kingdom.

² Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

³ Council Regulation (EC) 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers.

for organic farming under Axis 1 (Improving the competitiveness of the agricultural and forestry sector), although in most cases with no or with only partly special provisions for organic farming. In very few cases, organic farming is also addressed under RDP measures of Axis 3 (Improving the quality of life in rural areas).

In some EU countries, organic farms may also benefit from (partly) special provisions in the framework of quality support programmes under Article 68 of Council Regulation (EC) 73/2009, as well as from contributions to producer organisations under the Common Market Organisation (CMO) for fruit and vegetables. Besides CAP measures, a wide range of other national or regional policy instruments exist, such as financial support for producing, processing and marketing organic products, training, advice and information policies as well as support for research on aspects of organic farming.

EU organic farming legislation and its development

The current organic farming legislation describes the underlying objectives and principles of organic agriculture and sets organic production requirements. Thus, the legislation provides a legal definition of organic farming and formulates certain objectives with respect to environmental protection, the preservation of natural resources (including biodiversity), application of high animal welfare standards and production methods based on natural substances and processes. Furthermore, it defines the control and labelling requirements thereby providing a legal basis for supply chain activities. The regulatory framework follows the general structure of EU legislation with Council Regulation (EC) 834/2007 for basic issues and the Commission Regulation (EC) 889/2008 and 1235/2008 for implementing rules. Since 2009 the legislative framework has been supplemented several times, e.g. with rules on aquaculture (Regulation (EC) 710/2009), wine production (Regulation (EC) 203/2012) in 2009, trade with third countries (Regulation (EC) 508/2012) in 2012 and controls (Regulation (EC) 392/2013) in 2013.

Model of intervention logic

The overarching objective of the Regulation is to establish a basis for a sustainable development of organic farming in the EU. The three global objectives of the EU Regulation on organic farming, as defined in Article 1 of Regulation (EC) 834/2007 are '*ensuring the effective functioning of the internal market*', '*guaranteeing fair competition*' and '*ensuring consumer confidence and protecting consumer interests*'. In the model of intervention logic, the global objectives have been linked to specific objectives, which were derived from the rules on organic production, controls, labelling and for trade with third countries. In doing so, the expected logical cause-and-effect relations envisaged by the rules have been reconstructed.

Replies to the evaluation questions

Methods and data sources

A range of different methods and data sources was used to gain a comprehensive basis for answering the eight evaluation questions, including:

- analyses of the regulatory environment of organic farming in the 13 case study countries primarily by means of interviews with stakeholders and an analysis of national regulations, private standards and grey literature. These provided an in-depth knowledge of the implementation, adequacy and effectiveness of the organic farming legislation in individual EU Member States;
- a case study analysis of the fraud case 'Gatto con gli stivali' to understand how effectively the control system prevents fraud;
- a case study analysis of three potential suspect cases of organic products imported from countries outside of the EU to understand the adequacy and effectiveness of the import regime;
- semi-structured interviews with EU-level stakeholders/experts to collect specific information on the adequacy and effectiveness of the Regulation. This was supported by a review of, a large number of relevant documents;
- a web-based consumer survey with 3 000 respondents conducted in six Member States (Estonia, France, Germany, Italy, Poland and the United Kingdom) to fill the gaps in the literature regarding the degree of knowledge about, and the perception of the EU organic logo;
- a web-based stakeholder survey with 265 respondents conducted to collect the views from a larger number of different actors. This information was verified through the bibliographic research.

Adequacy of the scope of the Regulation

The scope of Council Regulation (EC) 834/2007 on organic farming covers unprocessed and processed agricultural products used for food and feed, vegetative propagating materials and seeds, yeast and aquaculture. Mass catering is explicitly excluded. The same applies to non-food products (such as cosmetics and textiles). The situation is, however, less clear for a number of non-food products closely linked to organic agriculture such as wool, beeswax or some essential oils. The first evaluation question looks at whether or not the current scope is adequate to meet the needs of operators and consumers of organic food.

The evaluation concluded that the scope of the Regulation is mostly adequate to meet the current needs of the organic farming supply and distribution chain. It is not fully adequate to meet the needs of consumers of organic products.

A basic requirement for the adequacy of the scope is that it is clearly formulated and fully understood by the implementing and enforcing bodies. According to the stakeholders, this is true in most cases except for the organic status of non-food agricultural raw materials (wool, beeswax, etc.) that have been produced according to the requirements of Regulation (EC) 834/2007. For these products, there is uncertainty as to how their organic status can be communicated on the final product. The current situation, with no clear guidance on their certification and labelling, can lead to confusion.

Mass catering using organic ingredients is regulated in 11 of the 13 case study countries through national and/or private standards.⁴ The importance of organic mass catering varies from less than 1 to more than 10 % of total organic sales in the case study countries. There is no indication of cross border trade in procurement and catering services of organic food. A need for a flexible approach to the development of organic mass catering (both in public canteens and in private restaurants) was identified, due to the difficulty of obtaining all organic ingredients used in the preparation of a wide variety of dishes. Stakeholders expressed concern that inclusion of mass catering within the remit of the Regulation would reduce flexibility and increase the regulatory burden which could potentially stifle growth of the sector. However, there was also support among some stakeholders for inclusion of mass catering. Key reasons for this were improved transparency for consumers and greater visibility and recognition of organic products in Green Public Procurement⁵ in countries where there are no national rules. The exclusion of mass catering from the scope of the Regulation is therefore judged to be adequate for the current needs of the organic farming supply and distribution chain, but maybe not fully adequate to protect consumer interests.

As far as non-food products are concerned, industry trade data suggest growth in the market particularly for cosmetics and textiles. Many cosmetics, textiles, household cleaning products and some other non-food products using the term 'organic' are found in the market place. As not all of them are certified according to a recognised organic standard, and consumers may not be aware that such products are not covered by the Regulation, the use of the protected terms is considered to be potentially confusing. However, including them in the scope of the Regulation would require specific characteristics of non-food products to be taken into account making the Regulation more complicated. There are European and international initiatives for both organic cosmetics and organic textiles which aim to define what constitutes a valid organic claim. As with organic mass catering, the exclusion of organic cosmetics and textiles from the scope is adequate

⁴ Mass catering is regulated at a national level in Austria, Denmark, Estonia, France, Germany, and Slovenia, whilst private standards for mass catering exist in Italy (various), Germany (BIOLAND), Spain (CAAE), Czech Republic (Pro-Bio), the Netherlands (Stichting EKO-Keurmerk) and the United Kingdom (Soil Association).

⁵ Green Public Procurement is a voluntary instrument developed by the European Commission to encourage environmental criteria to be considered in public procurement. The GPP core criteria for catering refer explicitly to Regulation (EC) 834/2007 and state that a minimum percentage of food which must be organically produced may be specified. GPP guidelines do not provide further details about the potential implications for labelling or verification.

in terms of meeting the current needs of the organic farming supply and distribution chain, but does not fully ensure consumer confidence in terms of clarity of the use the protected terms.

Adequacy of the production rules

According to Article 3 of the Regulation, organic production is an integrated farm management system which aims to contribute to high levels of biodiversity, preserve natural resources, respect high animal welfare standards and produce high quality food in response to consumer demand. The underlying principles of organic production (Article 4 to 7) emphasise the need for prevention in preference to direct intervention for certain problems (e.g. pests, diseases, weeds) in designing systems. They also restrict the use of external inputs. Most inputs are completely prohibited and oblige organic producers to adopt certain husbandry practices considered beneficial to achieve the aims. The objectives and principles are operationalised by a number of production rules, which complete the legal definition of organic farming in the European Union. The second evaluation question examines whether these production rules provide a good framework to achieve the objectives of organic production and contribute to achieving the global objectives of the Regulation.

The evaluation concluded that the production rules are generally adequate in terms of achieving the global objectives of the Regulation and the objectives of organic production.

A basic precondition for the adequacy of the legal framework is that the Regulation leads to a harmonised concept of organic production in the EU. This in turn requires that the rules are implemented uniformly in national law and that Member States do not apply a large number of additional rules not covered by the scope of the Regulation. The analysis of provisions provides evidence that this precondition is fulfilled since all case study countries have implemented the existing EU legislation on organic farming in national law and only a limited number of additional provisions exist.

According to the views of stakeholders, stating objectives and principles directly in the Regulation has promoted a harmonised perception of the organic farming concept. However, differences in interpretation and consequent variations in national implementation in certain sectors may hinder the full potential of the impact of the Regulation. For example, by requiring only a limited part of the feed to be produced on the farm itself or in the same region, the Regulation does not fully guarantee the link between livestock production and the land. Another example is the insufficient clarity in the definition of multi-annual crop rotation which may result in the application of short rotations.

As far as the objective of establishing a sustainable management system is concerned, there is sound scientific evidence that organic production practices have a positive impact on biodiversity, soil fertility and minimising water and air pollution. Some of the positive impacts can be directly attributed to rules (e.g. ban of synthetic N fertilisers, herbicides, strict limitation on

other fertilisers and crop protection products, use of multi-annual crop rotations including legumes, requirement to use organic fertilisers and manures). The restrictions of input use and the incentive to use forage for livestock also have a direct impact on the reduced use of energy, but there are no rules directly addressing the sustainable use of energy, for example in greenhouse production, processing, packaging or transport. The rules also have some positive impact on limiting water and air pollution (e.g. decreasing nitrogen leaching, eutrophication and CO₂ emissions), but there are no rules directly addressing water use (except for aquaculture) or climate change. Some evidence is presented that soils under organic management have higher organic carbon concentrations than conventionally managed land and thus a potential for carbon sequestration. They can also capture more water and are therefore potentially more resilient to extreme weather events. The rules also include detailed animal welfare provisions going beyond most animal welfare legislation. However, the objectives of the Regulation on this issue cannot be achieved by rules alone. Further improvement in animal welfare could be achieved through better monitoring of the existing rules. There is no scientific literature on the environmental impacts of organic production of greenhouses and of organic processing so judgement about these sectors is not possible.

As far as the objective of providing high quality products is concerned, the production rules result in lower residues in organic products and contribute to food safety, but there is so far no strong evidence of the increased nutritional and organoleptic value of organic products. The consumer survey, carried out as part of the evaluation, shows that most organic products meet consumer expectations regarding high quality and protection of the environment.

The system of exceptional rules, established to allow regional differences in climate, sector development and specific husbandry practices to be taken into account, is not fully adequate. A definitive judgement is difficult because of a lack of reliable data on organic supplies, but for the sectors examined (young poultry, feed and seed) the present system of exceptional rules appears to hinder rather than support the development of organic supplies.

The GMO provisions are adequate to ensure the lowest possible adventitious presence of GMOs in organic products. Very few cases of contamination were reported but stakeholders are concerned about additional burdens if thresholds were to be lowered. Concerns were also expressed in relation to future availability of certain GMO-free critical ingredients and about the reliability of GM-free vendor declarations.

The common framework of the production rules provides a good basis for fair competition. Distortion of competition may however occur if differences in implementation of the Regulation affect production costs, thereby giving competitive advantages to operators in some countries. This can arise due to a number of reasons, such as the lack of clarity in the Regulation resulting in different implementation (e.g. fertigation practices applied in some Member States in greenhouse production), issues that are left to the discretion of EU Member States (e.g. definition of slow growing strains of poultry) or issues arising from stricter national rules for all

agricultural producers including organic ones (e.g. the licensing of plant protection agents). However, the evaluation is hindered by the lack of comparable data on costs of organic production and intra-EU trade in the affected sectors, making a definitive judgement on the potential distortion of competition difficult to reach.

Adequacy of the overall control system

In order to ensure that organic operators along the supply-chain comply with the rules of organic farming and that consumers' confidence in organic products is justified, an effective control system has to be in place in all Member States. This consists of two elements: a) annual on-site controls of organic operators carried out by private accredited control bodies or designated public control authorities and b) the public surveillance system, which encompasses the entire EU framework of activities of national competent authorities and accreditation bodies to supervise and monitor the organic control system at the level of the control bodies. The third evaluation question examines how well the control system achieves the global objectives of the Regulation, in particular in relation to fair competition among organic farmers within the EU and consumer confidence in organic products. Particular attention is paid to how adequately the control system ensures organic operators' compliance with the production rules, and whether the procedures of the control system are implemented effectively in the Member States.

The evaluation concluded that the overall control system of organic farming is largely adequate in terms of achieving the global objectives of the Regulation but with some shortcomings in implementation.

The requirement for annual on-site controls is considered adequate to ensure compliance with the Regulation, but risk-oriented approaches could achieve the same result at a lower cost. However, such approaches are yet to be developed for the organic control system. Additional risk-based controls required by the Regulation are in general adequate to ensure fair competition and consumer confidence. In fact, stakeholders and scientific literature stress the potential of dynamic risk-based inspections to improve the effectiveness of the control system and to reduce costs for organic operators.

So far, however, risk-based inspections are implemented differently and only to a limited extent in the Member States. Thus, the potential of this approach to increase the effectiveness of controls is not fully exploited. Guidance at EU level may be necessary to ensure a harmonised approach. This is also true for other elements of the control system that are not consistently implemented in the Member States. Information from the 13 case study countries revealed, for example, that the application of residue testing varies greatly among Member States and even within one Member State. In addition, different sanctions are being applied for the same infringement.

As laid down in the Regulation, all organic operators are subject to the control system. Member States may, however, exempt operators who sell products directly to the final consumer and do not produce, prepare, store these products other than in connection with the point of sale. This exemption is justified as being adequate in cases where such operators only sell packed and labelled food, because the risk of commingling and incorrect labelling is low. At the same time, the supervision system has to ensure that such retail businesses are notified to the respective competent authorities and that the conditions for exemption are periodically verified.

No indication could be found that the distribution of responsibilities among the main actors involved in the control system is inadequate. As far as the national system of supervision over the control bodies is concerned, the evaluation reveals that for some Member States competent authorities may not fulfil their supervisory role fully due to insufficient procedures for supervision and limited resources. The analysis of the 'Gatto con gli stivali' fraud case showed that there may be some deficiencies in the exchange of information between the different actors of the control system.

Finally, the consumer survey revealed that for the most part consumers trust the actors of the organic control system, but this is built on perceptions rather than factual knowledge which might be due either to the lack of or poorly targeted consumer information about organic farming and its control system.

Adequacy of the import regime

In the last two decades, organic supply and distribution chains have become increasingly globally organised. As a result, a large number of products sold on the EU market are imported. For farmers and consumers in the EU, it is important that organic products from third countries are produced in accordance with equivalent requirements and that the control systems guarantee the same level of conformity as within the EU. The fourth evaluation question explores whether the current import regime is adequate to achieve the global objectives of the Regulation of ensuring an effective functioning of the internal market, fair competition and protection of consumer interests.

The evaluation concluded that the import rules are largely adequate in terms of achieving the global objectives of the Regulation but with some shortcomings in implementation.

A key element of the import rules is the assessment of the equivalence of production and control rules in third countries, whilst at the same time recognising that production conditions in countries outside the EU can be different from those within the EU. The Regulation provides three different mechanisms for this purpose. Firstly, equivalency is recognised by the inclusion of a country in the 'third country list' (i.e. the national organic legislation of the country in question is formally recognised as being equivalent to that of the EU). Secondly, individual imports can be authorised by Member State authorities at the request of an importer located in the EU. This option was the most relevant import procedure under the previous organic regulation and is due

to be phased out in July 2014. Thirdly, EU control bodies can be authorised by the European Commission to carry out controls in third countries. This latter approach has been in force since July 2012.

Findings from the literature review and views of stakeholders reveal that there are shortcomings with respect to the equivalence assessment for all import procedures. For recognition of third countries, the concerns are related to work capacities required at the Commission in the long term to follow up on the equivalence assessment. For import authorisations, there is the risk of different interpretations of equivalency by control bodies and various approaches have been adopted for issuing import authorisations by Member States. An import procedure based on recognised control bodies addresses this problem, but this requires significant administrative input from the Commission and control bodies need clear instructions to carry it out in a more uniform manner.

In order to ensure functioning of the internal market, import procedures are required to allow a smooth, continuous and timely delivery of products from third countries. In this respect, a key consideration is whether or not the shift from import authorisations to control body recognition creates market distortions. An analysis of the database of the Organic Farming Information System (OFIS) shows that the number of import authorisations dropped since July 2012 but is still relatively high. A more detailed analysis of import authorisations reveals that the phasing out of import authorisations is unlikely to have an immediate negative impact on import flows. However, a key question is whether the market mechanisms will function properly. Since it is difficult to anticipate fully the reactions of the market in response to the phasing out of the import authorisations, it is useful to monitor supply and, where necessary, take action to avoid potential undersupply of certain imported products.

Another concern with regard to a smooth, continuous and timely delivery of products from third countries which applies to all three import regimes, is the administrative procedure implemented to issue certificates of inspection. Importers complain that the procedures implemented by some third country control bodies are slow and the paper-based procedure further slows down the process.

The adequacy of the import regime is also determined by the effectiveness of the control system in third countries; i.e. whether the system is able to ensure that production and processing of organic food really complies or is equivalent with the EU rules. Findings from the review of publications and the results of the stakeholder survey provide no indication that the control system in third countries is less effective per se than the control system in the EU. The results of the import case study suggest that the risk of fraud could be reduced by specific preventive measures (e.g. training for operators), risk-orientated control or residue sampling. These are still not very common in some third countries. Furthermore, there were concerns regarding the supervision of control bodies operating in third countries. The surveillance of recognised control bodies has become highly relevant, when Member State authorities are no longer involved in

assessing single imports with respect to their equivalence. More experience gained over a longer period would be needed to come to a sound judgement on this issue.

Consumer perception of organic farming

Consumer demand for organic food has been a key factor for the development of organic farming in the EU. For the sake of consumer protection and fair competition, Council Regulation (EC) 834/2007 lays down specific rules for labelling organic products. A key element of these rules is the new EU organic logo which aims to improve recognition of organic products in all EU countries and to provide consumers with confidence that organic food is produced entirely in line with the Regulation. The use of a logo requires consumer understanding of the concept of organic farming as well as knowledge of and trust in the organic logo. For this reason, the fifth evaluation question examines consumers' understanding of the concept of organic farming and knowledge of the EU organic logo and other compulsory indications.

The evaluation concluded that while the concept of organic farming is largely understood by most consumers in the EU, the new EU organic logo and the other compulsory indications are so far not very well recognised by consumers.

Most of the participants in the survey were familiar with the main issues of organic farming, such as growing without the use of synthetic chemicals and genetically modified seeds and the use of production methods which protect the environment. However, a number of the consumers surveyed mistakenly believe, for example, that organic food 'needs to be produced on small farms' or 'needs to be produced locally' neither of which are requirements of the Regulation. Given the generally good understanding of the concept of organic farming, the results to some extent contradict previous research which found knowledge of organic principles to be generally quite low.

Recognition of the EU organic logo, which was introduced in 2010 and whose use became compulsory without exceptions in July 2012, was limited. About a quarter of all respondents had seen the EU organic logo before. A comparative analysis of the EU organic logo and other organic and non-organic food logos showed that in all six countries except Italy the EU organic logo was better known than the old EU organic logo. However, in all countries other organic logos exist in the market place which are better known than the EU organic logo.

Furthermore, the results reveal that consumers' knowledge about additional mandatory indications is low. Less than 10 % of the respondents were aware of the additional mandatory indications, such as 'EU Agriculture' or 'non-EU Agriculture' and the code number of the control body. The reason could be that the code number is not easy to recognise and remember since it has no clear visual image. The respondents favoured the existence of the indications 'EU/non-EU Agriculture', yet they did not believe this indication to be wholly adequate in improving recognition. In a globalised world, many processed products contain ingredients from EU and non-EU countries. These products need therefore to be labelled with 'EU/non-EU Agriculture' –

the gain of information might be low. Therefore, in its present form this indication might not be very promising in supporting consumers' purchase decisions. According to the Regulation, products can be labelled with the name of a country if 98 % of all raw materials have been farmed in that country. This is rarely the case for processed food products so by allowing only 2 % of raw materials to be from outside the country indicated, the Regulation is much stricter than similar indications on regional food.

Familiarity with the production standards and the logo alone is not enough to affect consumption decisions. Trust is also an important element. Although the level of trust in the EU organic logo is relatively high according to the results of the consumer survey, the purchase relevance of the logo is still limited. Only 13 % of respondents consider the EU organic logo to be relevant for their purchasing decisions and other organic logos were perceived to be more important at the point of sale. This is probably due to the fact that the EU organic logo was only recently introduced and is still not well-known.

Probably for the same reason, the majority of respondents do not perceive the EU logo as an indication for quality. On the other hand, typical attributes of organic farming such as freedom from chemical residues and from synthetic additives were perceived as quality indicators by a large share of consumers indicating that the EU organic logo has a potential to serve as quality indicator.

Simplified administration and management

The EU introduced the first regulation for organic food in 1991 (EEC/2092/91) with the aim of protecting organic farming by ensuring fair competition between producers and improving the credibility of such products in the eyes of consumers. Over the next 15 years, the regulation was amended many times, until a comprehensive revision was initiated resulting in Council Regulation (EC) 834/2007 with implementing rules and repeal of the previous regulation. The sixth evaluation question aims to establish whether this revision of the legal framework has contributed to simplification in terms of the administration and management of the legal measures, compared to the legal framework in existence prior to that. Simplification is understood here to mean the reduction of red tape for both producers and administrations by making rules more transparent, easier to understand and less burdensome to comply with.

The evaluation concluded that the current legislative framework for organic farming has significantly improved the transparency of the legislative measures applicable before 2009, but has not resulted in a simplified administration and management.

Several changes contributed to greater transparency such as the inclusion of objectives, principles and key production rules in the main legislative text, the introduction of title and article headings and the bringing together of related provisions of the production rules (e.g. general farm and conversion rules). Nevertheless, there is lack of precision and lack of clarity in

some terms. Areas where this was felt to be particularly relevant included the status of animals in the case of non-simultaneous conversion, soil protection rules, definition of a region, as well as the definition of terms such as ‘irregularities and infringements’ or ‘high quality’. Furthermore, the structure of the two regulations has created uncertainty and resulted in control bodies and competent authorities spending more time on clarifying interpretations.

Furthermore, there is greater transparency in the approval process for various permitted substances as a result of the inclusion of clear criteria in the Regulation and also through the formation of an expert group (EGTOP) to develop evidence-based recommendations. However, the approval process is time consuming and labour intensive and does not fulfil all expectations of operators. Furthermore, the expert recommendations cannot replace a political process for more complex decisions. No change was made to the approval process for permitted products (rather than substances) that can be used by operators. This is handled either at national level or by individual control bodies but in some case study countries there is a lack of guidance to operators regarding what products can be used.

While there is a greater transparency, the new regulatory regime has not significantly reduced administration and management for operators, control bodies or competent authorities, for example, because of the need for more interpretation of the legislation. Red-tape remains a barrier for operators to become organic, especially for small-holders. As far as the inclusion of exceptional rules rather than derogations is concerned, stakeholders noted some limited improvements for farmers (due to the removal of exceptional rules for feeding ruminants) and for control bodies (due to reduced need to grant the exceptions). However, any reductions on the side of the control are offset by increases in workload for competent authorities who are now responsible for granting authorisations under the exceptional rules, and for the Commission which has to approve the use of exceptional rules in specific Member States.

The EU added value of the organic farming legislation

Any activity at EU level, such as the EU legislation on organic farming, requires that this results in EU added value which is understood here as the extra value of EU action compared to similar action taking place only at regional or national level. In the case of the organic farming legislation, EU added value is particularly relevant, since organic farming has the potential to contribute to several EU priorities and is specifically targeted by EU-funding instruments. The seventh evaluation question looks at the extent to which the organic farming legislation has provided EU added value, over and above what would have been achieved by the independent action of Member States or regions. Particular attention is given to the coherence with EU policy priorities, effectiveness in delivering these priorities and to the question of whether subsidiarity is ensured.

The evaluation concluded that the legislation provides EU added value through good coherence with EU global objectives for organic farming and other key EU priorities, and that it is generally effective in delivering these priorities, although some linkages could be improved.

The documentary analysis shows that there is particularly good coherence between the legislation and EU priorities for innovation, agricultural product quality, agri-environment, biodiversity, water quality, soil conservation, animal welfare as well as consumer protection and food labelling. There is also good coherence with issues related to the EU priorities for the internal market, climate change mitigation, sustainable production and consumption, food safety and competitiveness. Furthermore, there are some opportunities to improve coherence through improved linkages between the legislation and specific elements of EU priorities for sustainable use of water and market data collection.

As far as the delivery of EU policy priorities is concerned, the results of the evaluation provide evidence that the legislation is effective in creating EU added value for environmental, climate mitigation and animal welfare priorities. There is generally good complementarity with EU funding instruments, particularly the CAP and the funds for research and information. The legislation is however only moderately effective in achieving the EU priority of better regulation. Effectiveness of the legislation could be improved by making clearer links between objectives, general principles and detailed rules, and by translating objectives for water and energy use, and habitat management into operational rules.

Little evidence is available to judge the allocation of responsibilities according to the principle of subsidiarity, and it was found that the views of competent authorities differ on this issue.

Contribution of the organic farming legislation to the sustainable development of the organic sector

The overarching objective of Council Regulation (EC) 834/2007 is to provide the basis for the sustainable development of the organic farming sector. Although the term is not defined in the Regulation, the legislation does make clear that a sustainable development has to be seen in the context of the dual societal role of organic production methods, i.e. providing food in response to consumer demand for organic products, and delivering public goods that contribute to the protection of the environment and animal welfare, as well as to rural development. The eighth evaluation question considers the extent to which the organic farming legislation has contributed to the sustainable development of the sector, and whether this development has been economically, environmentally and socially sustainable.

The evaluation concluded that, within the context of wider market influences and other factors, the legislation has contributed to the development of the sector. This development is sustainable, particularly in situations where there is a supportive policy environment.

Regulation (EC) 834/2007 has maintained the impetus created by the previous legislative framework in supporting a strong EU domestic and import market for organic food, principally through defining detailed rules for organic farming. By unifying a previously fragmented policy area, the legislation has provided an important basis for growth of the sector. The contribution to

market development may be somewhat weakened because some production rules allow a broader interpretation and thus may have adverse effect on fair competition between actors in different parts of the EU (for example the definition of 'region' for feed and 'factory farming' for manure).

As far as the economic sustainability of this development is concerned, the legislation provides a clear basis for developing organic businesses and for designing supportive policies, particularly those funded under Member States' rural development programmes. However, it should be recognised that organic farmers' decisions are influenced by a wide range of external pressures, not just by the legislation.

Furthermore, there is sound evidence that the Regulation has established a framework which guides farmers to practices beneficial for the environment. However, environmental sustainability of growth in the sector relies partly on the way in which the rules and organic concept have been interpreted, rather than being exclusively attributable to the legislation. The environmental opportunities for the future, where the organic production rules could play a role, include the potential to close the productivity gap between organic and conventional systems and the opportunities for increased organic conversion of low-intensity farming systems and holdings.

Limited evidence is available on the social sustainability of the sector's development, but there is a clear potential for socio-economic benefits if organic development can be targeted at small farms in disadvantaged rural areas, for example through group certification and tailored support measures in RDPs.

Overall conclusions and recommendations

The evaluation shows that the EU legislation on organic farming generally provides a sound basis for a sustainable development of organic production in the European Union. However, the analysis also points to a number of areas where the regulatory framework could be improved. Based on the description of the economic and regulatory framework of the organic farming sector and the judgement of the eight evaluation questions, six types of measures addressing two different fields of action can be derived: a) ensuring the adequacy of the legal provisions and b) increasing the effectiveness of the legal provisions.

The first field of action encompasses three measures concerned with ensuring the adequacy of the legislation, i.e. that the state achieved by the rules is sufficient in relation to the objective laid down in the Regulation. Very few areas have been identified, where more detailed rules should be considered at EU or Member State level (e.g. provisions with respect to organic pullet rearing and hatchery). In many cases the rules are adequate but there is a lack of a harmonised interpretation and enforcement in Member States. For this reason, it is suggested that more

guidance and clarification be provided for Member State authorities, control bodies and other actors. For example, clarification of the meaning of terms such as ‘sustainable use of natural resources’ or guidance on how objectives like ‘high biodiversity’ can be translated into operational rules. Furthermore, there are areas where more guidance or harmonised enforcement is difficult because sufficient information is not available. Collecting and making available more information to support the Commission and Member State authorities in streamlining the rules and monitoring their implementation (e.g. through the collection of market data) could improve this situation.

The second field of action refers to rules that are judged to be adequate but whose impact could be increased, i.e. the extent to which objectives pursued by an intervention are achieved. This could be realised by a) changes to the provisions (e.g. by shifting from the annual control to a risk-based control system), b) the use of certain support measures and tools (e.g. well-targeted output-based criteria for the monitoring of animal welfare outcomes, that can be monitored as part of inspection systems and be used by operators in self-assessment) or by c) providing more information and capacity building to relevant actors (e.g. an information campaign addressing consumers to raise awareness regarding the common concept, the EU organic logo and the additional compulsory indications).