

EUROPEAN COMMISSION

Brussels, 27.7.2015
C(2015) 3607 final

Dear Presidents,

The Commission would like to thank the Houses of the Oireachtas for their Opinion on the proposal for a Regulation of the European Parliament and of the Council on organic production and labelling of organic products, amending Regulation (EU) No XXX/XXX of the European Parliament and of the Council [Official controls Regulation] and repealing Council Regulation (EC) No 834/2007 {COM(2014) 180 final}, and for the strong interest they have taken in the proposal.

The proposal on organic production and labelling of organic products comes in a context where the challenges for the sustainable development of the organic sector are increasing. In the last decade, the market for organic products in the EU has quadrupled. However the internal EU production only doubled. This shows that the increase of the market is based mostly on imports. More needs to be done in order to increase the EU organic production capacity.

Increasing production at a high pace risks putting pressure on the standards of organic production and consequently on the credibility of the system. Moreover, an extended public consultation with over 45 000 replies, which is one of the elements that supported this proposal, has clearly shown that citizens have high expectations as regards the standards and the integrity of the organic production. Currently there are many possibilities for derogations from the rules, which are applied differently across Member States and also for imported products. The resulting absence of a level playing field and of transparency spills over into the control system, which as the European Court of Auditors underlined in its 2012

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report¹, needs serious improvement. In addition to simplification and clarification of the legal framework, these were the grounds at the basis of the Commission's legal proposal for the organic sector.

The Commission has taken note of the variety of observations and questions from the Houses of the Oireachtas in their Opinion, including on the use of delegated acts, the level of harmonisation, mixed farms, the restriction on the reduction of the conversion period, the inclusion of all retailers who sell organic products, and the labelling of in-conversion products as organic.

On the more general questions, raised in the Opinion, the Commission would like to make the following remarks.

The Houses of the Oireachtas express concerns about the scope of the proposal. The Commission has received numerous questions from operators in this regard. With the aim to clarify the scope, the Commission has opted to align the Organic Regulation with the other agricultural legislation on quality (such as geographical indications). Certain products have been added to the scope compared to the current organic legislation. These additions were repeatedly requested by representatives of the organic sector and by certain Member States.

The Houses of the Oireachtas also address the transfer of organic controls to the new Official Controls Regulation. In that regard, the Commission is of the opinion that the introduction into the general horizontal legislation on food and feed controls of the provisions on "organic" controls would simplify procedures, improve controls and help operators to better respect the requirements of the legislation. Controls in the organic sector are already included in the official control system for food and feed since 2006. The draft proposal on organics provides for specific provisions to be included in the official controls regulation that ensure that the particular needs of organic production are addressed. The proposal foresees that all the future implementing provisions for controls will be discussed by agricultural experts and voted in the organic production committee, as is currently the case.

The Commission has taken note of the observations made by the Houses of the Oireachtas on the introduction of a control system based on risk assessment. The purpose of the risk-based control system is to concentrate resources and efforts where the risks are the highest thus resulting in more effective and focussed controls. All the operators of the organic chain, without exception, would be submitted to the control system. The proposed approach will entail that operators presenting a lower risk and with a proven record of compliance will be physically inspected on a lesser frequency. On the other hand, operators with higher risks, because of the nature of their activities or because of already identified non-compliances will be physically inspected more frequently.

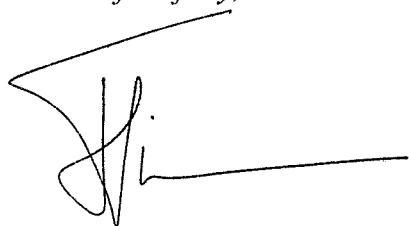
¹ Special Report No 9 from 2012 of the European Court of Auditors on Audit of the Control System Governing the Production, Processing, Distribution and Imports of Organic Products.

Finally, the Houses of the Oireachtas are concerned that the expansion of the import regime to organic farms fully in compliance with the EU organic standards could be problematic, particularly with issues pertaining to ingredients and materials. The Impact Assessment and extensive dialogue with the stakeholders have clearly underlined that internal producers are disadvantaged compared to their counterparts from third countries, which can produce under equivalent regimes. Moreover, the numerous derogations in the current organic regulation may leave substantial leeway, when equivalence is applied. The Commission has proposed compliance in the import regime particularly to ensure a level playing field for all producers. It is also to be noted that the other major organic markets – USA, Canada – also import under a compliance regime.

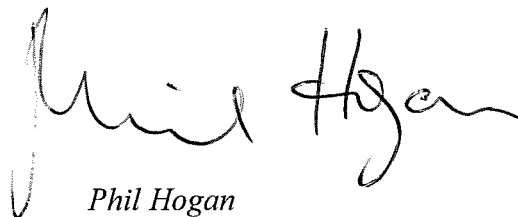
The points made above are based on the initial proposal presented by the Commission, which is currently in the legislative process involving both the European Parliament and the Council in which your government is represented.

The Commission hopes that these clarifications address the concerns raised by the Houses of the Oireachtas and looks forward to continuing our political dialogue in the future.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Frans Timmermans', with a long horizontal line extending to the right.

*Frans Timmermans
First Vice-President*

A handwritten signature in black ink, appearing to be 'Phil Hogan', written in a cursive style.

*Phil Hogan
Member of the Commission*