

# SENATE OF THE REPUBLIC

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## RESOLUTION OF THE 9<sup>TH</sup> STANDING COMMITTEE

(Agriculture and Agri-Food Production)

(*Rapporteur*: Senator Gatti)

*approved at the session of 27 May 2014*

ON THE

**PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON ORGANIC PRODUCTION AND LABELLING OF ORGANIC PRODUCTS, AMENDING THE REGULATION (EU) OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON OFFICIAL CONTROLS AND REPEALING COUNCIL REGULATION (EC) NO 834/2007 (COM (2014) 180 FINAL)**

*pursuant to Article 144(1) and (6) of the Rules of Procedure*

**Sent to the President's Office on 29 May 2014**

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The Committee,

having examined, pursuant to Article 144(1) and (6) of the Rules of Procedure, the proposal for a Regulation of the European Parliament and of the Council on organic production and labelling of organic products, amending the Regulation (EU) of the European Parliament and of the Council on official controls and repealing Council Regulation (EC) No 834/2007 of 28 June 2007,

whereas:

the proposal aims to improve the legislation on organic production so as to limit the obstacles to the sustainable development of organic production in the Union, guarantee fair competition for farmers and operators while allowing the internal market to function more efficiently, maintain and improve consumer confidence in organic products and implement a single, reliable system for recognising control bodies in third countries;

various alternatives were posited at the European institutions; these were subject to an impact assessment and the European Commission conducted a public consultation. Following these examinations, the option chosen was that of re-focusing organic production on its principles;

the proposal for a Regulation lists the fundamental and cross-cutting principles and provisions on organic production, bringing together specific production rules in a dedicated annex and leaving the implementing provisions to later delegated acts;

with specific regard to the Italian position, the proposal considers a series of aspects that are considered priorities for reform of the sector; in particular, it provides for a threshold for the presence of unauthorised products in organic farming, the possibility for group certification, which is beneficial for the small producers that are very widespread in Italy, and a harmonised approach to controls, based on risk analysis at the various stages of production;

the proposal was put forward together with a Communication from the Commission on an Action Plan for the future of Organic Production in the European Union, which aims to support growth in the sector including through the next amendment of the legislative framework;

the fact that proposal still refers to organic aquaculture is welcomed, as this sector plays a key role in ensuring sustainable, long-term food security as well as growth and employment while reducing pressure on wild fish stocks, in a context of growing global aquatic food demand,

expresses the opinion, pursuant to Protocol 2 to the Treaty on the Functioning of the European Union, that the proposal complies with the principle of subsidiarity;

as to substantive elements of the proposal, issues a favourable opinion with the following comments:

we hope that political agreement on the organic farming dossier will be reached during Italy's six-month presidency of the European Union, and we suggest that the priority areas identified in the European Commission's Communication on an Action Plan for the future of Organic Production in the European Union (COM(2014) 179) be examined and that those best suited to boosting internal demand for and exports of organic products be promoted;

we stress that there has been excessive recourse to the practice whereby the European Commission has been granted power to adopt delegated acts implementing the Regulation, without the Regulation itself indicating precise guiding criteria for such acts. The delegated powers granted to the European Commission concern the quality and traceability of organic production and its compliance with the Regulation, the authorisation of products and substances for use in organic production and the requirements and conditions for their use. Given the scope of these delegated powers, we consider that the Government must monitor them carefully so as to avoid negative consequences;

this is particularly important given that the final version of new Regulation on official controls on food and feed is not yet available, meaning that a full joint assessment of the measures is not possible;

we also stress that measures need to be introduced that specifically consider the distinctive features of organic farming in Italy and the wider Mediterranean, the characteristics of which differ from that of northern European countries;

as far as the details of the proposal are concerned, with regard to Article 2 'Scope', we urge further reflection on the fact that mass catering operations have been excluded, with the Member States' national provisions to apply instead; given the importance of this type of organic catering in sensitive areas such as school meals, and in the light of the need to reduce the risk of fraud, it would be appropriate for this sector to be included in the Regulation;

furthermore, it would be appropriate to assess whether to extend the scope of the Regulation across the board to all operators working at any stage of the production, preparation and distribution of organic farming products. The purpose of this would be to ward off the risk of a significant reduction in the presence of such products in the distribution network and in traditional retail, given the highly fragmented nature of the sector in Italy;

with regard to Article 5 'Specific principles applicable to agricultural activities and aquaculture', we urge that subparagraph (c) on recycling of wastes and by-products of plant and animal origin as input in plant and livestock production be made more specific;

with regard to Article 7 'General production rules', we urge that, at the implementation stage, the specific features of small and medium-sized enterprises be closely examined;

with regard to Article 8 on the conversion of organic production, we hope that the issue of identifying land that has been left fallow will be clarified;

with regard to Article 17, we stress the need for greater flexibility so as to give the Member States greater discretion for determining when catastrophic situations occur, an issue that the proposal leaves to delegated acts of the European Commission;

with regard to Chapter V 'Organic certification', we note the different, risk-based approach to controls and the fact that the matter is referred specifically to the Official Controls Regulation currently being drafted; however, we suggest that the minimum measures be identified more specifically as regards the inspections to be carried out on individual operators and groups of operators and that a broader concept of 'group of operators' be introduced;

as for the provisions on trade with third countries, we agree with the proposal, including with a view to preventing fraudulent transactions, and we hope that in future it will be possible for the Commission to sign trade agreements with third countries under a compliance regime;

as far as organic plant production is concerned, we would point out that, not only should hydroponic production not be allowed, but nor should any other type of growing outside the soil, except for nursery products intended for replanting and direct sale to final customers;

we consider it necessary that the rich resource represented by the native seeds that are typical of Italy, and those of the various regions of Europe, be preserved and made the most of, and that the achievement of regulatory uniformity at European level does not undermine the distinctive features of Italian organic products; avoiding this would also safeguard biodiversity;

lastly, we are pleased to note that account has been taken of the fact that organic products may be contaminated as a result of external factors and that it is appropriate, where the relevant conditions have been met, for compensation to be paid to producers who have suffered unjust harm; we would, however, also highlight the issue of taking action against the parties responsible for such contamination.

# OPINION OF THE 14<sup>TH</sup> STANDING COMMITTEE

## (EUROPEAN UNION POLICIES)

(Rapporteur: Senator Candiani)

8 May 2014

The Committee,

having examined the document at issue, and having regard to the fact that the proposal follows on from the Report from the Commission to the European Parliament and the Council of 11 May 2012 (COM(2012) 212) on the application of Council Regulation (EC) No 834/2007 on organic production and labelling of organic products, as provided for by Article 41 of that Regulation, from the stakeholder consultation and impact assessment carried out in 2013 and from the conclusions of the Agriculture and Fisheries Council of 13-14 May 2013;

whereas, on the basis of the aforementioned considerations, the proposal pursues the following objectives:

- a positive market outlook, thanks to greater consumer confidence, which is likely to support organic product prices (absorbing the initial increase) and to attract newcomers;
- the removal of exceptions to the legislation and the resulting further development of organic inputs, notably seeds,
- clearer and simpler production rules, which should make the sector more attractive;
- greater fairness in terms of competition, as a result of stronger harmonisation, simpler and clearer rules and the move from equivalence to compliance for the recognition of control bodies in third countries;
- strengthening consumer confidence through creation of an improved control system and harmonised production rules taking account of evolving societal concerns (environmental management system for processors and traders, animal welfare);
- adoption of a risk-based approach which is expected to improve the effectiveness and efficiency of controls and contribute, together with a more reliable import regime, to fraud prevention;
- removing exceptions, thereby allowing the positive environmental impacts associated with organic production to be stressed and animal welfare to be improved;

whereas, with specific regard to simplification of the legislation, the proposal seeks to:

- clarify the provisions on scope, production rules, labelling and the system of controls;
- remove ineffective provisions;
- limit the Member States' scope for granting exceptions to the rules;

- simplify the import regime;
- simplify requirements for small farmers, in particular with the introduction of group certification;

whereas the proposal is consistent with the proposal for a Regulation on official controls (COM(2013) 265), which aims to consolidate the integrated approach in all areas related to the food chain, and also supplements it as regards the definitions and specific provisions on controls;

having regard, lastly, to the Government's report pursuant to Article 6(4) of Law No 234 of 24 December 2012, drawn up by the Ministry of Agricultural, Food and Forestry Policy, according to which the provisions of the proposal are, as a whole, in line with the national interest and answer several specific requests made by Italy,

comments favourably, for matters within its remit, highlighting the following points:

the legal basis for the proposal for a Directive (*sic*) has been correctly identified as Article 42, first paragraph, of the Treaty on the Functioning of the European Union (TFEU) concerning the application of competition rules to production of and trade in agricultural products, and Article 43(2) TFEU, in accordance with which the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, are to establish the common organisation of agricultural markets and the other provisions necessary for the pursuit of the objectives of the common agricultural policy and the common fisheries policy;

the proposal is in line with the principles of subsidiarity and proportionality, since the objectives, in particular fair competition and proper functioning of the internal market in organic products, as well as ensuring consumer confidence in those products and in the organic production logo of the European Union, cannot be sufficiently achieved by the Member States themselves but can instead, because of the required harmonisation of the rules on organic production, be better achieved at Union level. As far as compliance with the principle of proportionality is concerned, the proposal for a Regulation does not go beyond what is necessary in order to achieve its objectives;

as to the substantive elements of the proposal, we appreciate the fact that it moves towards greater rigour in organic production and special attention to consumer expectations, and at the same time towards increased support for producers through simplification of the rules and administrative burdens, the removal of exceptions, group certification, which is beneficial for the numerous small producers in Italy, and a harmonised approach to controls; all of this is proposed in a field that is of prime importance to Italy which, with more than 40 000 firms exclusively engaged in the organic sector, has the European record number of producers, and, with an area of almost 1.2 million hectares, is among the top ten producers countries worldwide and in second place in the European Union behind Spain;

we hope, therefore, that political agreement on the organic farming dossier will be reached during Italy's six-month presidency of the European Union, and we suggest that the priority areas identified in the European Commission's Communication on an Action Plan for the future of Organic Production in the European Union (COM(2014) 179) be examined and that those best suited to boosting internal demand for and exports of organic products be promoted;

we are concerned about the prediction on the development of organic inputs (in particular seeds), and would point out that such development should also take account of production techniques (crop rotation, the water system, etc.) and not only involve identifying new, higher yielding varieties irrespective of health protection considerations;

we consider it necessary that the rich resource represented by the native seeds that are typical of Italy, and those of the various regions of Europe, be preserved and made the most of, and that the achievement of regulatory uniformity at European level does not undermine the distinctive features of Italian organic products; avoiding this would also safeguard biodiversity and the necessary exclusion period for GMO crops;

lastly, the delegated powers granted to the European Commission concern the quality and traceability of organic production and its compliance with the Regulation, the authorisation of products and substances for use in organic production and the requirements and conditions for their use. Given the scope of these delegated powers, we consider that the Government must monitor them carefully so as to avoid negative consequences.