

## RDP analysis: Support to environment & climate change

# M11

## Organic agriculture

In 2015, the Contact Point of the European Network for Rural Development (ENRD CP) carried out a broad analysis of the 2014-2020 Rural Development Programmes (RDPs). The following text forms part of a series of summaries outlining the information gathered on specific Measures (M) and sub-Measures. The summaries aim to provide an overview of the common trends and main differences in the programming decisions taken across the range of RDPs. If you believe that any of the information presented does not accurately reflect the content of one of the RDPs, please communicate your concerns to [info@enrd.eu](mailto:info@enrd.eu).

Where specific RDPs are referenced in the analysis, they are indicated with the official EU country codes (e.g. EE for Estonia). In the case of regional RDPs, the name of the region is given after the country code (e.g. IT-Lazio).

### 1. Regulatory background

**The organic farming support measure (M11) provides support, per hectare of agricultural area, to farmers who convert to or maintain organic farming practices and methods as defined in the EU organic regulation<sup>1</sup>.** Organic farming is expected to establish and maintain a sustainable management system for agriculture. The farming practices it promotes contribute to improving soil and water quality, to mitigation and adaptation to climate change and to improved biodiversity (e.g. by avoiding use of synthetic plant protection products and synthetic fertilisers and encouraging crop rotation, use of organic fertilisers and improvement to soil organic matter).

M11 provides support for:

- The conversion of conventional farming to organic farming (M11.1).
- The maintenance of certified organic farming (M11.2).

During the 2007-2013 programming period support for organic farming was part of the compulsory agri-environment measure. For the programming period 2014-2020 it is a separate measure to recognise the importance of organic farming in contributing to various rural development objectives and priorities, primarily Priority 4 and Priority 5 - in particular Focus Area 5E (carbon conservation and sequestration).

---

<sup>1</sup> Regulation (EC) No 834/2007 (organic regulation)

The measure applies to farmers who fit the **active farmer definition**<sup>2</sup> (see box). **Groups of organic farmers** with a legal status, other types of groups (e.g. formed on an *ad hoc* basis) and **producer groups** are also eligible. It is possible to grant higher transaction costs to groups than to individual beneficiaries. Beneficiaries must be certified with an approved organic farming control body, demonstrating that they meet the requirements laid down in the EU organic farming regulation, or are registered for conversion<sup>3</sup>.

### Active farmer definition

According to Article 9 of Regulation (EU) No 1307/2013 of the EU regulation on direct payments an **active farmer** is a farmer, i.e. a **natural or legal person, or a group of natural or legal persons, whose holding is situated within the EU, and who exercises an agricultural activity**.

The following are excluded from the 'active farmer' definition:

- groups and/or natural or legal persons working in the field of transports, infrastructures, and recreational activities; and
- farmers whose agricultural areas are naturally kept in a state suitable for grazing or cultivation and who does not carry out on those areas a minimum activity<sup>4</sup>.

Where appropriate, Member States may exclude other non-agricultural businesses or activities, and decide not to grant payments to other persons or groups whose agricultural activities form an insignificant part of their overall economic activities, and/or whose principal activity or company objectives do not consist of exercising an agricultural activity.

---

<sup>2</sup> Article 9 of Regulation (EU) No 1307/2013 (direct payments & cross-compliance regulation)

<sup>3</sup> Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91

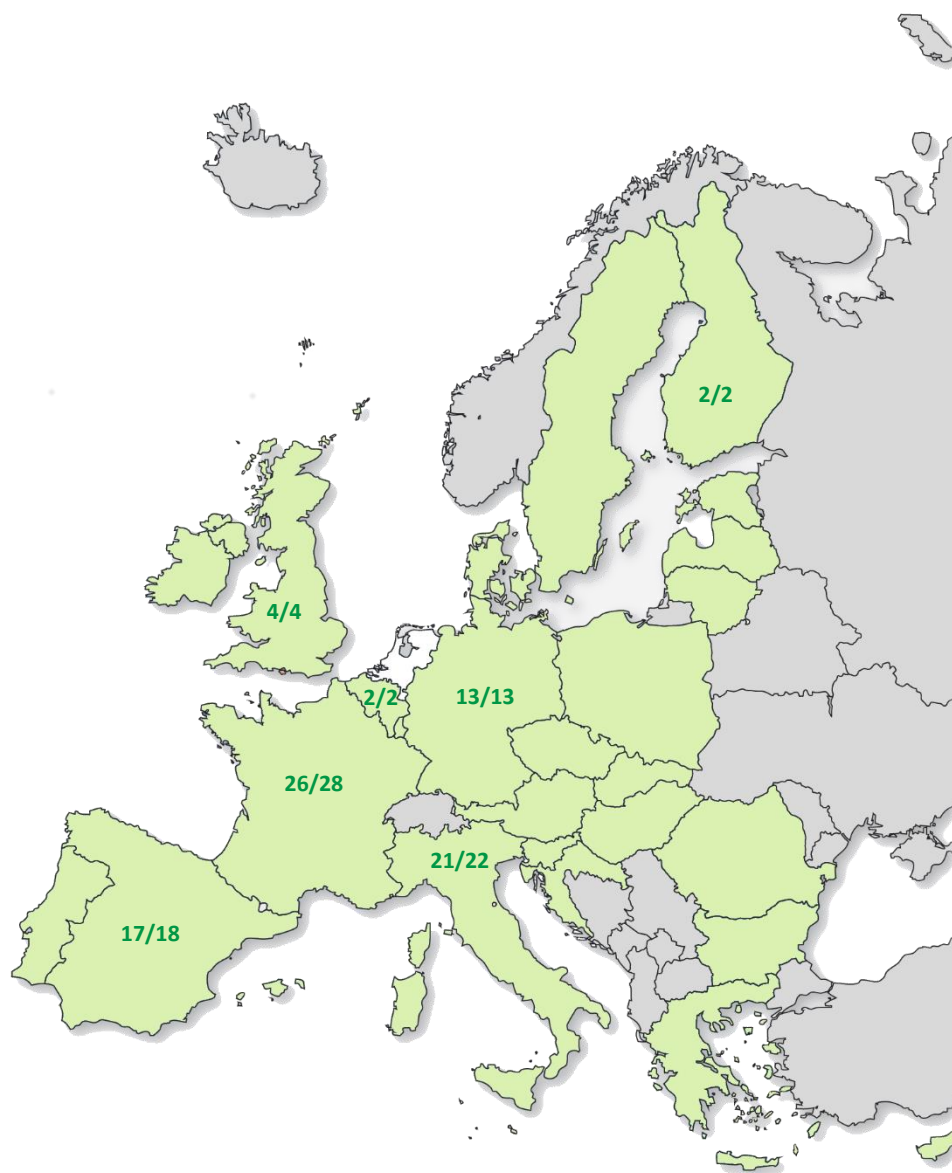
<sup>4</sup> Minimum activity is defined by Member States.

## 2. RDPs programming the sub-Measures

All RDPs except the Netherlands and FR-Mayotte and the three National Programmes for FR, IT and ES provide support for organic farming under M11.

Three RDPs, being AT, EE and DE-Saxony-Anhalt, did not programme sub-Measure M11.1. **All the rest of the RDPs that programmed Measure 11 are using both the conversion sub-Measure (M11.1) and the maintenance sub-Measure (M11.2).**

M11 is programmed in 107 RDPs across 27 Member States.



**Map 1 - RDPs programming M11**

For MS having regional RDPs, the map indicates the number of RDPs that programmed M11 out of the national total.

### 3. Scope of activities

#### Priorities & needs addressed

Most of the RDPs justify the support for organic farming on the basis of the **environmental benefits associated with organic farming practices**.

The implementation of the measure is linked to a **regional or national organic farming action plan** or policy in many countries and regions (e.g. HR, DK, the French regions, DE-Bavaria, DE-Baden-Wuerttemberg).

Some RDPs link the rationale for organic farming support to **specific identified needs or priorities**. For example, the DE-Niedersachsen/Bremen RDP mentions that it responds to the **growing consumer demand** for organic produce. DE-Bavaria particularly targets the conversion support to horticulture in response to the identified **market weakness and consumer demand**. In PT-Madeira, organic farming is considered to contribute positively to the **tourist image of the region**.

Most RDPs do not specify particular funding allocation priorities or criteria for organic farming support other than those defined in the regulations, or they state that certain criteria can be applied if it becomes necessary due to unanticipated budget shortages.

#### Areas of preference

Many countries and regions have specified environmental priorities for the areas preferential allocation of organic farming support. For example:

- Funding will **be allocated preferably to farms within Natura 2000** areas in GR, SK, ES-Andalucia, ES-Castilla-Leon, ES-Castilla-Mancha, ES-Islas Canarias, ES-La Rioja, ES-Madrid, ES-Navarra, ES-Valencia, IT-Abruzzo, IT-Lazio, IT-Liguria, IT-Lombardia, IT-Sardegna.
- Funding will be allocated preferentially **to farms within nitrate vulnerable areas** in ES-Andalucia, ES-Islas Baleares, ES-La Rioja, ES-Madrid, ES-Murcia, ES-Navarra, IT-Emilia-Romagna, IT-Lazio, IT-Liguria, IT-Lombardia, IT-Sardegna.
- IT-Lazio mentions that priority will be allocated to farms in critical agricultural areas identified in the **river basin management plans**.

In PT-Mainland, funding will be allocated preferably to areas defined in the National Action Program to Combat Desertification.

#### Sectors supported

Some countries and regions have decided to allocate organic farming support to **particular sectors**. For example:

- DE-Bavaria particularly targets the conversion support to **horticulture** in response to identified market weakness and consumer demand.
- **Organic beekeeping** is explicitly supported by a few RDPs (e.g. BG, ES-Asturias, ES-Cantabria, ES-Extremadura, ES-La Rioja).

## 4. Budget allocation

### 4.1 Total public budget

The organic farming support measure is one of the measures that counts towards the obligatory minimum 30% of budget allocated to action for environment and climate change<sup>5</sup>.

The **total public budget** (EAFRD + national contribution + technical assistance) **allocated to M11 averaged over all RDPs makes up 6.4% of total RDP funding**, the fourth highest budget allocation to a measure - after investments in physical assets (M4), payments to areas facing natural or other constraints (M13), and to the agri-environment-climate measure (M10).

The **proportion of the RDP total public budget** allocated to M11 ranges **from 22.2%** in IT-Calabria, down to **0.1%** in PT-Madeira<sup>6</sup>.

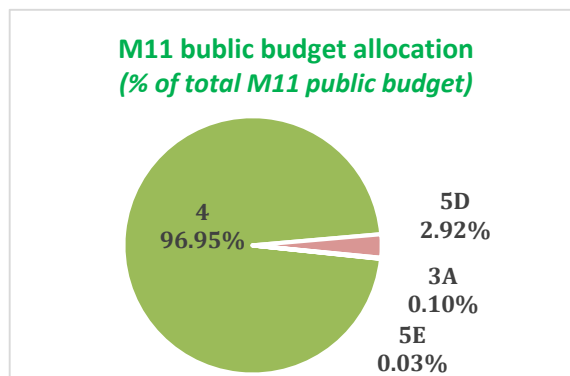
41 RDPs have allocated a proportion of their RDP budget to M11 that is above the EU average of 6.4% (of which 24 have allocated over 10% of their RDP budget).

66 RDPs have allocated a budget below the EU average. **In Southern Europe**, 30 out of 44 RDPs – **68% - are below the EU average** (CY, MT, and some in PT, ES, IT) and in **Western Europe** it is 28 out of 48 – **58%** (IE, LU, UK and some in BE, DE, FR). In Eastern Europe, all Member States except the Czech Republic have allocated a budget proportion below the EU average to the organic farming support measure.

### 4.2 Contribution to Focus Areas

All Member States and regions allocated the majority of their M11 budgets **to Priority 4** (restoring, preserving and enhancing ecosystems). In most Member States and regions M11 is the primary measure supporting Focus Area (FA) 4B and 4C, followed by FA 4A.

| M11 budget allocation   |                  |                                |
|-------------------------|------------------|--------------------------------|
| Priority/<br>Focus Area | Euro             | % of M11 tot.<br>public budget |
| <b>4</b>                | 9 636 826 000.62 | 96.95%                         |
| <b>5D</b>               | 289 791 666.67   | 2.92%                          |
| <b>3A</b>               | 10 087 551.00    | 0.10%                          |
| <b>5E</b>               | 3 065 000.00     | 0.03%                          |
| <b>Total</b>            | 9 939 770 218.29 | 100.00%                        |



<sup>5</sup> Regulation (EU) 1305/2013 Art. 59(6)

<sup>6</sup> NL, FR-Mayotte and the FR, ES, DE and IT national programmes are not included in the calculations because they do not programme M11.

Five RDPs allocated a proportion of M11 budget to priority 3 and 5 (see table). Among the cases presented in the table, to notice the high M11 budget allocation of MT in FA 3A and of ES-Valencia and GR in FA 5D.

| RDP         | M11 budget allocation            |                                    |                                      |
|-------------|----------------------------------|------------------------------------|--------------------------------------|
|             | 3A                               | 5E                                 | 5D                                   |
| FR-Bretagne | 9 987 551 €<br>25% of M11 budget |                                    |                                      |
| MT          | 100 000 €<br>50% of M11 budget   |                                    |                                      |
| IT-Liguria  |                                  | 1 915 000 €<br>15.8% of M11 budget |                                      |
| ES-Valencia |                                  | 1 150 000 €<br>5% of M11 budget    | 8 050 000 €<br>35% of M11 budget     |
| GR          |                                  |                                    | 281 741 667 €<br>35.2% of M11 budget |

## 5. Linkages to other Measures

**The agri-environment-climate measure (M10) and the Organic agriculture measure (M11)** is strictly connected by specific selection criteria aiming to establish complementarity and to avoid double funding.

In order to improve the implementation of the actions funded under M11, several RDPs also established selection criteria that require the applicant to prove knowledge and experience that might be acquired by having access to **advisory services or training funded under M01**.

Furthermore, according to the EU rural development regulation, farmers applying organic farming methods can receive support, among others, for new participation in **organic food quality schemes through M3 and investment costs through M4**.

## 6. Eligibility criteria and selection process

**Connection to M10** According to the EU rural development regulation, beneficiaries of support under the organic farming measure are also eligible for the agri-environment-climate payments as long as **they commit to carry out commitments going beyond the agri-environment-climate measure's baseline and which differ from the commitments supported under the organic farming measure.**

A few RDPs specify that support under **M11 is incompatible with support under some or all agri-environment-climate schemes under M10**, with the exception of support for genetic resources under sub-measure M10.2 (eg ES-Aragon, ES-Castilla-Leon, ES-Galicia, IT-Friuli-Venezia-Giulia, IT-Valle d'Aosta). This means that farmers who claim support under M11 will not be able to apply for agri-environment-climate schemes in these regions.

In contrast, there will be **preferential allocation to farmers who also participate in agri-environment-climate** in ES-Islas Baleares and ES-Valencia.

**Connection to M01** A few RDPs specify that **farmers must participate in advisory services or training** (e.g. ES-Madrid, Greece, IT-Friuli-Venezia-Giulia, Slovenia). For example:

- In FR-Reunion, training on agri-environment-climate is mandatory and payment will be granted only if the training certificate is provided. Farmers applying for conversion support must also have completed a performance plan (a 'farm diagnosis') to be undertaken in the context of advisory support under M2.
- In Cyprus, farmers who receive support for the first time under organic farming measure have to participate in training programmes on organic farming supported under M1. If they prove that they have knowledge equivalent to the level of training they are exempted from the obligation.

**Connection to other measures** A few RDPs specify that organic farmers will receive **preferential funding under:**

- **the investment measures M4** (e.g. FR-Corsica, FR-Ile-de-France, Greece) and/or M6 (e.g. FR-Corsica, Greece),
- **the quality products measure M3** (e.g. FR-Corsica, IT-Calabria).

**Duration** The EU rural development regulation specifies that **commitments must be made for a period of five to seven years**, but Member States can determine the period of conversion, and also shorten the period of maintenance support directly following support for conversion within this overall time period<sup>7</sup>.

Most RDPs define **the conversion period as two or three years** followed by **two to five years of maintenance support**. For example:

- In BE-Wallonia, conversion payments are provided for two or three years depending on crops, followed by five years maintenance support, whilst maintenance contracts under M11.2 last for five years.
- Conversion payments are limited to one year of the conversion period in ES-La Rioja, Spain.
- In Bulgaria, commitments are made for five years with a two year extension option.

**M11 support applicants**

RDPs comply with the regulation guideline establishing that the measure applies to farmers or groups of farmers who fit the **active farmer definition**<sup>8</sup>.

A few RDPs mention that priority will be given to projects implemented through a **collective approach** (e.g. IT-Lazio, IT-Liguria).

**Case: Management plans in PT-Azores**

In PT-Azores, farmers must submit an Organic Agriculture Management Plan validated by the regional agricultural services, covering the entire eligible area before they can receive M11 funding.

**Crops allowed**

A minority of the RDPs define the crops and farming systems that are eligible for support. For example:

- Cyprus provides a list of eligible crops and animal production systems.
- Sugarcane is not eligible in FR-Reunion.
- In DE-Sachsen-Anhalt, tree nurseries are explicitly excluded.
- Land in municipalities applying monoculture will be rejected for support in ES-Pais Vasco.

Some RDPs mention that catch crops are excluded from funding in order to avoid double funding under the greening measure.

**Minimum area size**

Some RDPs mention a minimum size threshold, for example:

- Aragon-Spain: 0.2 ha for irrigated crops to 5 ha for non-irrigated crops;
- Austria: 2 ha with certain exceptions;
- DE-Bavaria and IT-Marche: 3 ha with exceptions for horticulture and special crops.

<sup>7</sup> Regulation (EU) No 1305/2013 (rural development regulation)

<sup>8</sup> Article 9 of Regulation (EU) No 1307/2013 (direct payments & cross-compliance regulation)



## 7. Financial aspects

### Budget

The EU rural development regulation specifies the **maximum payment thresholds** of €600 per ha per year for annual crops; €900 per ha per year for specialised perennial crops; and €450 per ha per year for other land uses. However, programming **authorities can apply higher payment rates if suitably justified. Conversion rates are generally higher than maintenance rates**, but some Member States and regions apply the same rate to both sub-measures.

**Support is generally granted per hectare**, but programming authorities have the option of specifying other units, for example support per beehive, but not payments per livestock unit.

Some RDPs mention a **regressive payment** above a maximum size threshold (e.g. Cyprus, BE-Wallonia). The application of regressive payments is accepted in exceptional, justified cases.

**Payment rates** vary significantly between Member States and regions and between the different production systems supported.

#### Case: Payment rate in BG

In Bulgaria, payment rates for maintenance are as follows: arable crops (168 Euro/ha), permanent grassland (112 Euro/ha), permanent crops, orchards and vineyards (557 EUR/ha), aromatic and medicinal plants (405 EUR/ha), vegetables (399 EUR/ha), bee colonies (25 EUR/colony), dairy cattle (77 EUR/ha), beef cattle (63 EUR/ha), dairy and meat sheep and goats (90 EUR/ha).

#### Case: Payment rate in DE-Brandenburg/Berlin

Payment rates in DE-Brandenburg/Berlin for both conversion and maintenance are as follows: 209 EUR per ha field and 210 EUR per ha grassland, 415 EUR per ha vegetables, herbs and flowers, 750 EUR for fruits and nurseries, 665 EUR for berries and rare fruits (wild fruits) and their nurseries.

### Case: M11 coordination in Germany

The **German national framework sets standard payment rates**, with the conversion rate higher than the maintenance rate, but **regions can set lower or higher rates**, and /or set the conversion rate and the maintenance rate at the same level (with the exception of maintenance of organic vegetable horticulture, where the national standard rate is already set at the maximum permissible limit).

Some German states have set lower or higher rates, on the basis that the region has soils with lower or higher agricultural productivity than the German average.

- DE-Brandenburg/Berlin has set the same support rates for conversion and maintenance, with some rates that are lower than the national rate.
- DE-Sachsen, DE-Sachsen Anhalt have set the same support rates for conversion and maintenance.
- DE-Niedersachsen has fixed higher rates for conversion and for maintenance than the national standard rates, with the exception of horticulture.
- Some of the support rates in DE-North Rine Westphalia exceed the maximum permissible limits, justified by the very high production intensity and favourable production conditions.

### Production types

Many Member States and regions differentiate payment rates according to **broad production types**.

For example, BE-Wallonia provides three different payment rates for i) pasture and fodder cultivation; (ii) other annual crops; (iii) arboriculture, horticulture and seed production.