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### NFU Cymru response to Environment & Sustainability Committee Inquiry - Organic Production and Labelling of Organic Products

1. NFU Cymru welcomes the opportunity to respond to the Environment & Sustainability Committee Inquiry into Organic Production and Labelling of Organic Products. We have serious concerns about the legislative proposals for the new organic regulation and organic action plan which, we believe, will have negative consequences for organic farmers in Wales.

#### **The impacts of proposals on the organic sector in Wales**

2. NFU Cymru has a number of concerns with proposals. These include:
  - The ban of mixed farms;
  - The ban on the use of conventional seed and plant reproductive material;
  - Changes to the origin of animal feeds;
  - Ending the possibility of using non-organic animals for breeding purposes;
  - The ban on dehorning;
  - The plans to introduce residue thresholds;
  - Abandoning the requirement to have yearly controls;
  - The use of delegated acts to define essential aspects of the regulation including authorised plant protection products.
3. Under proposals, farmers will no longer be able to grow both organic and conventional produce and the whole farm business will have to be 100% organic before any produce can be marketed as such. We believe this rule will discourage new entrants to the organic sector as operating a mixed holding and converting gradually enables farmers to remain commercially viable during the challenging period of conversion.
4. Statistics show that presently approximately 25% of organic farms in the UK also produce conventional produce so proposals will potentially force out a significant number of existing organic farmers who currently operate mixed holdings. We would highlight that both parts of mixed farms are inspected by UK organic certification bodies so we can be confident that mixed holdings do not increase the risk of fraud.

5. No figures have been provided by the Commission on the proportion of farms across the EU who currently operate mixed holdings (organic and conventional). We believe that the full impact of this proposal on the organic sector has, therefore, not been fully considered.
6. Proposals to ban the use of conventional seed and plant reproductive material mean that organic farmers will have to use 100% organic seed. Proposals assume that sufficient organic seed will be available in the varieties that organic farmers want. This is not the case and there is a need to recognise that as organic seeds are more susceptible to disease, supply is limited as few seed producers risk producing them.
7. At present it is possible to use untreated conventional seed and this activity is overseen by the certification bodies. Disabling organic farmers from doing this could potentially result in no crops being planted, in seasons where disease is an acute problem. We would highlight that issues over organic seed supply will be exacerbated by the new proposals to ban mixed holdings as seed producers are typically mixed to offset risk.
8. Setting a higher obligation to source 90% of animal feed for herbivores and 60% for pigs and poultry from the holding itself or the region is of concern to NFU Cymru. The current levels are set at 60% and 20% respectively. We would highlight that proposals do not take into account the consequences of adverse weather conditions, nor do they recognise that certain regions, including many areas of Wales, are not suited to the growing of protein crops.
9. We would also highlight that the proposals do not make it clear what is meant by the local region and, we understand, that Member States currently use different interpretations.
10. NFU Cymru would highlight that there has been significant progress towards sourcing 100% of organic inputs in recent years and we believe many organic producers in Wales would like to grow more or source more feed locally. However, this is often not possible given farming practicalities and these obligations, therefore, appear unachievable. They also challenge standards of nutrition and animal health and welfare, especially in areas where it is not possible to grow quality protein crops or in areas affected by poor harvest through flooding or drought for example.
11. Ending the possibility to use non-organic animals for breeding purposes present organic producers with similar supply problems to those experienced with sourcing organic seed. Current rules allow for producers to source a small proportion of non-organic animals for breeding purposes.
12. NFU Cymru believes proposals will have particularly severe impacts in Wales where livestock production systems predominate. Poultry producers will also be unable to introduce less than 3 days non-organically reared poultry. The proposal will lead to a dramatic fall in the supply of genetic material available to organic holdings and we understand that proposals may impact on organic producers being able to utilise common grazing over the summer months.
13. The proposed ban on dehorning cattle is of concern to NFU Cymru. Dehorning is currently allowed in the UK and is carried out with great care and under conditions that respect animal welfare. It is an effective method of preventing livestock harming themselves, each other and those who work on or visit farms. A ban would compromise animal welfare, worker and public safety as well as deter organic producers from using certain breeds. We seek clarification from the Commission as to whether this includes banning the practice of de-budding also.
14. Clarification is also needed on other practices such as tail docking, spur removal etc and whether such practices will be permissible under the new regulation.
15. Proposals seek to introduce residue thresholds meaning that where organic products exceed a certain residue threshold of a prohibited substance they lose their certification and subsequent premium price.
16. NFU Cymru would highlight that there are a range of reasons to explain the presence of residues of plant protection products including drift from neighbouring fields, substances

remaining in the soil, presence in storage installations, during transport or at the processing line. Organic farmers could, therefore, be significantly out of pocket for issues that are outside their control.

17. Given that organic farming in Wales is limited to approximately 8% of land area, the risk of plant protection residues being detected cannot be ruled out, despite the best efforts of organic farmers.
18. NFU Cymru believes that the current regulatory system for testing and investigating the presence of non-authorised residues is a thorough approach that does not accept the presence of any unauthorised substances. Where unauthorised substances are found, at whatever level, an investigation is carried out to find the cause.
19. NFU Cymru would highlight that, at present, organic certification is an assurance against the use of unauthorised pesticides. We do not believe the presence of non-authorised products or substances in organic systems should be threshold targeted.
20. NFU Cymru recognises that an annual inspection regime offers a number of significant benefits, not least maintaining a level of consumer confidence. We also accept that, in reality, even if the Regulation did not specify the need for annual inspections, the major retailers would demand this. Annual inspections can help to maintain a regular link between certification bodies and producers which is not only important in facilitating effective knowledge exchange but is also vital for organic farmers to show consumers that they meet the organic standards.
21. NFU Cymru believes there may be opportunities within the inspection regime to adopt an 'earned recognition approach' whereby those producers that run low risk operations and regularly update their records online get recognition for this through the adjustment of risk category and less frequent inspections as a result.
22. NFU Cymru is concerned that the current legislative proposal does not provide a clear picture of how the regulation will be implemented leading to considerable uncertainty for organic producers.
23. A case in point is Article 19 – Authorisation of products and substances used in organic production. The list of authorised plant protection products and list of fertilisers, soil conditioners and nutrients are currently unknown as the proposal seeks to deal with this via delegated act. It is our view that this part of the regulation should not be dealt with by delegated act.

## Recommendations for changes to the legal proposals published

24. NFU Cymru would recommend the following changes to the legal proposals published by the Commission for the new organic regulation:
  - Mixed farming, correctly defined and monitored, should continue to be allowed under the new Regulation.
  - The current derogation, which allows the sector to use conventional seed especially during times of limited supply should be maintained. The development of the organic seed market should be supported and this could be achieved through charging a levy on sales, paid by those purchasing non-organic seed into the sector.
  - As it is not presently feasible to increase levels of locally sourced feed to 90% for herbivores and 60% for pigs and poultry in Wales, the current levels of 60% and 20% respectively should be retained.
  - The possibility to bring a proportion of non-organic animals for breeding purposes onto a farm must be retained

- The practice of dehorning and de-budding should continue to be permissible under the new regulation
- NFU Cymru is not in favour of the introduction of residue thresholds for non-authorized products or substances
- The requirement for yearly controls through annual inspection should be retained so consumer confidence in organic produce can be maintained and consideration should be given to less frequent inspections based on the concept of 'earned recognition'.

## Future organic production in the EU

25. NFU Cymru would highlight that during the last decade demand for organic produce from EU consumers has quadrupled while land under organic production has only doubled, imports from outside the EU have been required to make up the shortfall.
26. Globally, the organic market has seen growth of 25% in the past three years with a significant increase in spend on organic products by the under 35's age group
27. In this context, NFU Cymru believes that there are opportunities in Wales to achieve a viable, profitable market for Welsh organic produce, however, the development of the sector must be market-led and a premium for organic produce must be realised in the market place in order to offset the increased cost of production.
28. In Wales, organic producers have been hindered by a period of uncertainty which has led to a lack of confidence in the sector. Some 20% of farmers surveyed by the Organic Centre Wales in 2013 indicated their intention to cease farming organically. Levels of uncertainty have subsided in the short-term following the introduction of the Glastir Organic Scheme recently which has offered the sector a degree of stability. However, the new legislative proposals put forward by the Commission can only serve to escalate levels of uncertainty and undermine confidence in the sector going forward.
29. NFU Cymru has expressed concern with respect to the requirements for the preparation of an Organic Business Plan to support the application to Glastir Organics. We would also highlight that, given the current Farming Connect programme is under review and coming to an end at 31st March 2015, the expectation to complete business plans by the end of 2015 may not be possible. With the new programme still in the early stages of development, we would ask what provision has been considered to support farmers in the preparation of business plans through this period of transition, should they wish to access this type of advice.
30. We would further highlight that given the current review of Farming Connect, NFU Cymru strongly believes that farmers should be permitted, in fact encouraged, to formulate their own business plan without the need to involve a consultant if they so wish. This requires Welsh Government to supply very clear guidance and a template of what the requirements are and also an acknowledgement of the value of engaging farmers fully in the business planning process.
31. We also note that other areas of RDP support such as Sustainable Production Grant will be conditional on submission of a business plan. The situation whereby farmers have to complete multiple business plans to access various aspects of RDP funding is onerous, time consuming and inefficient. We note that the business planning requirements for Glastir Organics are currently under consideration and we wonder what consideration there has been of designing this so that it meets the range of other requirements and demands.
32. Overall, NFU Cymru believes the legislative proposals will lead to increases in costs of production and challenge the ability of organic farmers to continue to farm organically. Conventional producers are also likely to be discouraged from joining the sector. The outcome is likely to be a sharp and sustained decline in organic production which runs contrary to the aims of the Commission which is primarily focussed on helping to grow organic production and consumption levels across the EU.

33. We note the invitation to submit oral evidence to the Committee on Thursday 13<sup>th</sup> November. NFU Cymru look forward to giving evidence at this event.