

AES Conference 2023

Plenary session “Opportunities and failures of policy on organic agriculture”

Chair: Alisa Spiegel (Thuenen Institute, Germany)

Speakers: Nicolas Lampkin (Thuenen Institute, Germany); Dimitrios Kremmydas (JRC, Spain); Simone Severini (UNITUS, Italy); Sharon Raszap Skorbiansky (US Department of Agriculture, Economic Research Service)

Format: interactive; mix of presentations, live questionnaires for the audience, and discussion. **Please note that this is a hybrid session:** Sharon Raszap Skorbiansky and Simone Severini will join the session online.

Total duration: 90 min

The session starts with a short introduction by Alisa Spiegel on the EU organic target and state of art. Also, requirements for organic agriculture, as well as expected environmental benefits will be summarised.

Nicolas Lampkin presents an analysis of CAP strategic plans on organic agriculture for the 27 EU MS. The results suggest that, despite the EU target of 25% farmland organic by 2030, only about 15% of land area is being targeted on average by 2027 (the end of the current CAP programming period), but with some countries like Germany and Austria targeting significantly more than the average. The 15% share is consistent with current growth trends. Reaching the 25% target would require a significant increase in policy support, as well as market growth and access to information, advice, education and research for up to 1 million new entrants to the sector. Policy shocks such as Ukraine and high input and food price inflation will further complicate the process.

Dimitrios Kremmydas continues with modelling results indicating that reaching the 25% organic target would require increasing the current organic budget by 560%. The overall agricultural income will remain the same, but there will be reductions in the production of major arable crops (our estimation is ~ -6%). Policymakers can refine the organic payments to alleviate specific production effects. Also, more efficient payment schemes can be possible.

Simone Severini argues that an area-based organic target (as it is formulated now) might be misleading, and policy-makers should be aware about potential drawbacks, like missing organic production associated with the area. He presents a case study of organic payments for hazelnuts in Italy and shows that this is an example of policy failure.

Sharon Raszap Skorbiansky discusses trends in the US market for land devoted to organic agriculture, including continuous decreases in pastureland. Pastureland decreased by 36% in 2021 relative to 2019 acreage, and the discussion will include possible drivers alongside production and market challenges faced by certified and transitioning growers. The decrease in transitioning acreage has been recognized by USDA, and a new \$300 million initiative has been launched with the aim of helping to build new and better markets and income streams for organic producers.

Each speaker has 10 minutes for presentation excluding Q&A. Alisa Spiegel moderates discussion between the talks and draws overall conclusions. The discussion and conclusions are organised along the following dimensions of organic agriculture:

- Adoption of organic agriculture and effects on farm income --> Farmers perspective
- Effects on other crops, livestock and food security --> Market perspective
- Effects on nitrogen use, GHG emissions and biodiversity --> Environmental perspective
- Instruments of policy support and budget --> Governmental perspective