

Y Pwyllgor Amgylchedd a Chynaliadwyedd Environment and Sustainability Committee

Cynulliad
Cenedlaethol
Cymru
National
Assembly for
Wales



Commissioner Phil Hogan
Commissioner for Agriculture & Rural Development
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium

13 January 2015

Dear Commissioner Hogan

Environment and Sustainability Committee Inquiry into proposed regulation on Organic Production and Labelling

First of all, I would like to congratulate you on your appointment as Commissioner. This is good news for Wales, given the strong similarities between the agricultural and rural communities of Ireland and Wales, and the strong cultural and historic links that we share. We have had excellent working relations with the Irish Permanent Representation to the EU in Brussels, notably during the CAP reform negotiations, and we have enjoyed good and useful links with the European Commission's DG Agriculture as well.

We very much hope to meet you in Brussels before the end of the current Assembly, and should the opportunity arise I would of course be delighted to welcome you to Wales to meet the Committee and to visit the Senedd.

The comments we have set out in this letter refer to the draft proposals to revise EU legislation on Organic Production and Labelling presented by your predecessor, which highlight specific issues and concerns with the proposals that we have received from Welsh stakeholder organisations.

Bae Caerdydd
Caerdydd
CF99 1NA
Cardiff Bay
Cardiff
CF99 1NA

Ffôn / Tel: 0300 200 6339
E-bost / Email: seneddenv@assembly.wales

The Committee wholeheartedly supports the European Commission's aims of increasing consumer confidence, reducing bureaucracy and supporting the expansion of the organic sector across the EU. However, we have grave concerns about the practical implications of the regulation as currently drafted. We are concerned that the proposals will discourage farmers in Wales from entering into organics or lead to existing producers exiting the sector. We welcome the willingness you have shown since your appointment to working with the European Institutions to improve the proposals.

We have written to European Parliament colleagues outlining our views on the proposals and setting out our recommendations for amendments. A copy of this letter has been copied to you separately. However, two overarching issues were raised with us during our Inquiry, which I would like to draw to your attention.

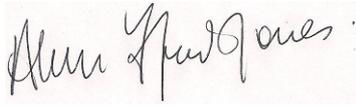
The first concern raised with us was about the quality of the impact assessment that accompanied the regulation. There was a unanimous view from Welsh stakeholders that the impact assessment relied too heavily on the results of the consumer survey to the detriment of the views of organic producers, processors, retailers and leading experts in the field. Concern was also expressed about the closed nature of the questions included within the survey. The Committee feels that the content of the impact assessment is the foundation for many of the stakeholders' concerns.

The second issue we would like to draw your attention to is the amount of detail that has been left for Delegated and Implementing Acts. The lack of clarity this has generated about key elements of the proposal has made proper assessment of the impacts difficult. Stakeholders have been unable to come to a conclusion on some elements of the proposal, because they have not been provided with sufficient detail. In particular we would welcome further clarity on how:

- the term 'region' will be interpreted by the Commission in relation to animal feed;
- a risk-based approach to certification will work in practice; and
- the ban on animal mutilation will apply to the de-horning and disbudding of cattle and the tail docking of sheep (practices that are essential to the maintenance of animal welfare in countries with high livestock densities such as Wales).

We will continue to monitor progress on this dossier closely. We look forward to engaging further with you on these and other agriculture issues. We hope the information provided in this letter is of use to you and your officials.

Yours sincerely

A handwritten signature in black ink on a light-colored rectangular background. The signature is written in a cursive style and reads "Alun Ffred Jones".

Alun Ffred Jones AM
Chair of the Environment and Sustainability Committee

Organic Production and Labelling: Key Findings of the National Assembly for Wales Environment and Sustainability Committee

Mixed Farms

1. There is **grave concern amongst stakeholders in Wales about the impact of the proposals to require 100% of a holding to be organic**. Figures produced on the sector in the UK indicate that 25% of organic farms have a mixture of both conventional and organic units on them. Stakeholders are concerned that requiring the whole holding to be organic could discourage new entrants and lead to some existing organic farmers returning to conventional farming. This is because conventional units can provide an important source of income for farmers during the conversion process.
2. We understand the Commission's desire to reduce non-compliance and increase consumer confidence but evidence provided to us suggests that the proposal could inadvertently reduce transparency. On mixed farms, certification bodies in the UK are currently able to inspect both the organic and non-organic units to ensure that processes on the farm minimise contamination. If farms are artificially split so that both types of farming can continue to take place certification bodies will no longer have access to the non-organic unit to ensure best practices are followed.

We would welcome amendment of the proposal to ensure that, where properly inspected and certified, farms can continue to operate both organic and non-organic units.

Organic Seed and Breeding Stock

3. We fully support the European Commission's aim of increasing the amount of organic seed and breeding stock available on the market. However, we believe that the **removal of these derogations by 2021 does not reflect the practical realities of production at a farm level**. Stakeholders in Wales were unanimous in their view that the timeframe as currently proposed in the regulations is insufficient.

We would welcome amendment of the proposal to ensure these important exemptions continue where no reasonable organic alternative exists.

Retailers Exemption

4. **We are concerned about the proposal to require retailers to be subject to certification.** In Wales, a number of smaller retailers may only stock one or two organic lines and therefore might stop selling these lines if faced with the costs of inspection. The UK Organic Trade Board estimates that organic sales through smaller retailers account for £10 million each week. The loss of these sales could have significant impacts on organic farmers and growers.

We would support an amendment of the proposals to ensure that this exemption is not removed for small and medium retailers.

Animal Welfare

5. We agree with the European Commission that high standards of animal welfare are important but we are concerned that the proposals as currently drafted are inconsistent and could unintentionally prohibit practices beneficial to animal welfare. For example the removal of horns from cattle and the tail docking of sheep. The level and density of livestock production in Wales means that dehorning is vital to ensure that cattle are unable to cause damage to each other or to those handling them. Cattle handling systems on farms in Wales and across other parts of the EU will have been designed for cattle where dehorning or disbudding in humane ways is permitted. Removing farms ability to do this over a short-time frame could have significant financial impacts for organic farmers. We do not believe that these impacts have been sufficiently assessed within the Impact Assessment.

We strongly believe that even if such rules were to be introduced in future this would require a proper impact assessment, clear transitional rules and strong supporting measures through the Action Plan and CAP.

De-certification

6. We strongly support the right for consumers purchasing organic products to have complete confidence in them. We are **concerned however, that the proposal to set a threshold level for non-organic residues is over-simplistic and goes against the EU's 'polluter-pays' principle.** At present if non-organic residues are found within products an inspection is carried out to determine the source of contamination before a producer is penalised.
7. There are many instances where cross-contamination may have occurred through no fault of the producer. The proposal that these producers are automatically decertified would go against the 'polluter pays' principle. Stakeholders in Wales have told us that **this could potentially lead to some of our most experienced organic producers being decertified for actions outside their control.** We note that that Member States would be able to provide financial compensation to these farmers but that would not prevent the loss of experienced producers from the industry. While some further enhancement to inspection procedures to ensure consistency across the EU may be required we believe the current proposals are not proportionate.

We would strongly support amendment of the proposals to remove this provision from the draft regulations.

Inspections

8. We have heard conflicting opinions on the European Commission's proposal to move towards a risk-based approach to inspection and certification. Farming organisations told us that producers welcomed annual inspections as a means of increasing consumer confidence and as an opportunity to get advice from the certification bodies. Other experts told us that they were not opposed to the proposal in principle but needed much greater detail from the European Commission on how this would work in practice. **We are concerned that not**

enough detail has been provided by the European Commission to stakeholders on how a risk-based approach to inspection would work.

We would welcome any action by the European Parliament to clarify the details of this element of the proposals.

Regional Feed

9. The principle of organic farms sourcing feed for livestock from their own holding or close sources is well understood and accepted by the Welsh organics sector. Given our climatic, soil and geographical conditions it is not possible however for Welsh organic farms to produce or source all of their feed from within Wales or even the UK. We therefore have concerns about the proposal to require a higher percentage of feed to be sourced from within the 'region' associated with a farm. This is mainly because no clarity is provided in the proposal about how the European Commission intends to define the term 'region'.

We would welcome any action by the European Parliament to clarify the details of this element of the proposal.