

Policy measures and necessities for small scale organic farming in the EU

Cho, Y.¹ & Nicholas, P.²

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Abstract

Most of European countries have certain support measures of small holder organic producers in their policy system but they need to be more positive with this issue. Recent EU regulations and any other governmental organic farming measures are hardly emphasising on small holders' issues except a few measures. In order to secure small producer organic farming, the extensive efforts are needed. Developing new logos and differential support system for small producer organic at every aspects from production, marketing and public procurement level will become more positive actions to take, for example.

Introduction

Current small scale organic farmers seem to have tougher environments being squeezed out by the advent of larger scale production of organic entrepreneurs and relatively convenient supermarket with huge buying and selling power (Darnhofer 2006). This has become more realistic to small producers as supermarket occupancy with organic products increases (ORA 2009, Willer 2009) because larger producers are surely suitable for massive supply with better capitals and infrastructure in the whole process from production to processing and marketing (Darnhofer 2006). Besides these external environments, small organic producers are assumed to have more internal difficulties such as certification process which is relatively high burden for small producers to pay and transact documentary works. So, these circumstances can further marginalize small scale organic producers out of the sector and depriving them of the access to organic premium. More positive actions are need to help majority of small holders become main actors in organic farming in the future.

Materials and methods

Various criteria are used for the classification of farm size, however, new definition by land size were set, limited to EU countries for the simplification in this study (Tab. 1).

¹ Fruit Research Institute of Jeollanamdo Agricultural Research and Extension Services, 15-2 Daeyari 2gu, Wandoup, Jeonnam 537-807, Korea, E-mail aktis@korea.kr

² Institute of Biological, Environmental and Rural Sciences, Aberystwyth University, Gogerddan, Aberystwyth SY23 3EB, UK, E-mail pkn@aber.ac.uk

For the statistics on small holdings occupancy in European agriculture, EUROSTAT and FADN web data bases were used as original source and reformed as necessary (EUROSTAT 2008, EUROSTAT 2010, FADN 2010). To develop comparative table between small and large scale holding followed by conventional and organic farm, various reference material such as research articles, government document and related publications were used.

Results and Discussion

The definition of small holders of organic farming may be differently recognizable concept relying on land size (IFAD 2005), farm income (Hoppe *et al.* 2007) and farm labour capacity (Nagayets 2005) among countries rather than absolute term. It may reflect the differences of social recognition on small holder's scale and concept among western European countries and Asia and Africa countries (Willer 2009). Considering these differences, the definition of smallholding for this study, which aims to deal with some EU countries cases, would be the holdings with less 20 hectares of farming land (Tab. 1). So, according to new definition on small holding, small holdings' occupancy is equivalent to 87.0% in ESU and 81.7% in SLR out of European agricultural holdings.

Table 1. Used definition for this study on farm holding type by farming land size considering ESU and SLR unit in European countries.

Holding type	Farm scale	New standards of farming land size and current portion based on European farming structure		
		Farming land size (ha)	Portion in farming structure* (%)	
			In ESU unit**	In SLR unit***
Smallholding	Very small	<5	59.8 (1<8)	48.4 (<1)
	Small	5<20	27.2 (8<40)	33.3 (1<2)
Medium-sized holding	Medium	20<50	8.5 (40<100)	13.1 (2<3)
Large-sized holding	Large	50=<	4.4 (100=<)	5.2 (3=<)

* Data by Farm Structure Survey (FSS) between 2006 and 2007 of EUROSTAT (2008) and DEFRA (2004a, b).

If we adjust this area based new definition to the EU countries, 61% of EU-15 (EUROSTAT 2010) and 80.9% holdings of EU-27 (EUROSTAT 2008) come under smallholder. So, absolute agricultural majority of holdings is small holding in the EU although their economy takes just 8.3% output and 9.6% farm net income of the total in EU-15 (2007)(FADN 2010). So, it will be natural that the priority of most agricultural policies goes to the economically poor majority of small holdings than big holders.

8 categories were developed among the previously implemented organic farming support measures in 19 European countries (Tab. 2)(Tuson and Lampkin 2007). They are differential support payment system by crop types, differential financial support measure by farm size, differential support for small livestock holder not by just livestock number and acreage, limiting subsidy by setting maximum land size, no minimum limit on land size for organic subsidy qualification, exemption or reduced rate

for organic small holders with advisory service, measures to improve or encourage farm marketing of local small producers and measures to support local, diverse and rare crops or endangered livestock breed. Among 7 policy tools of the European organic farming policy (EU-CEE-OFP)(Tuson and Lampkin 2007), organic producer support payments (OPSP) is the most popularly used measure by countries (Tab. 2) According to the 8 favourable measures for small producer as above, differential payments according to crops types are most commonly adopted utilizing 7 policy tools available, especially from OPSP.

Table 2. The EU organic policy measures which have special preparations for small holders by countries.

Measures favourable for small producer	Preparation of organic policy tools					
	OAP	OPSP	AEP	RDM	SR	IOP
Crop types (A)	DE, EN, NE, PO, SC, SD	AU, BE, DE, EN, FI, FR, GE, GR, IR, IT, LU, NE, NI, PO, SC, SD, SP, SW, WA	FR, GE, LU, PO, SP	FR, LU, SD	BE	DE, EN, FR, GE,
Farm land size (B)		IR, PO, SP				
Livestock numbers (C)		PO				
Limit max. land size for subsidy (D)		FR, IR, LU, NE, NI, PO, SC, SD, WA	SD	SD		
No limit on min. land size for subsidy (E)		AU, BE, DE, LU, NE, PO, SW				
Advisory service (F)	DE					
Marketing aid (G)	DE, IR, IT, NE, SP			GE		
Local variety and endangered bred (H)	SP	GR	FR, GE, SD, SP			

*Data sourced from 'EU-CEE-OAP'(Tuson and Lampkin 2007). AU: Austria, BE; Belgium, DE; Denmark, FI; Finland, FR; France, GE; Germany, GR; Greece, IT; Italy, IR; Ireland, LU; Luxembourg, NE; Netherland, PO; Portugal, SP; Spain, SD; Sweden, SW; Switzerland, EN; England, WA; Wales, SC; Scotland, NI; Northern Ireland. OAP:Organic action plan, OPSP:Organic producer support payment, AEP:Agri-environment payment, RDM:Rural development measures, SR:Standards and regulations, IOP:Information and other policies

Two serial EU regulations on organic farming have set extensive organic standards (EC 2007, EC 2008). However, these regulations hardly contain distinctive measures favourable for small producers. Only 3 measures are regarded as for distinctive small producers such as default on non-organic seeds use in no availability, allowing animal tethering and control system requirement for direct sellers throughout the vast standard documents.

Conclusions

Supporting organic small holders should receive the first priority in organic farming policy because they are the dominant population in rural community, contribute to rural economy and other potential benefits as well than any other farm types. EU regulations and any other governmental organic farming measures need to emphases small holders' issues at first.

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