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Agricultural product quality: a success factor for EU rural areas

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Foreword

European farmers and food producers have a reputation for producing a diverse range of high quality products. Beyond the legal requirements, there are additional aspects of product quality, which are also valued by consumers, e.g. the use of traditional farming methods in production.

Agricultural product quality policy forms part of the Common Agricultural Policy (CAP). The recent Communication from the Commission on CAP post-2013 has identified several key challenges, including maintaining the diversity of agricultural activities in rural areas and enhancing competitiveness - to which enhancing agricultural product quality policy will contribute. Moreover agricultural quality contributes to strengthening the EU's share of global trade in food products.

The market for quality agricultural products is continuously growing. For example, in 2009 the EU market value for organic products was €18 billion, while for designated origin and speciality guaranteed products, the market value was €22 billion. EU citizens are increasingly demanding a wide choice of high quality products, reflecting high safety, environmental and animal wefare standards, in addition to locally sourced products.

Proposals in the new Quality Package from the European Commission's Directorate General for Agriculture and Rural Development (DG AGRI) highlight the critical commercial gains to be made by the strengthening of quality aspects of agricultural production systems. Promoting a more competitive economy is a key priority for the European Union and quality policy is one of the keystones of the EU's agricultural competitiveness.

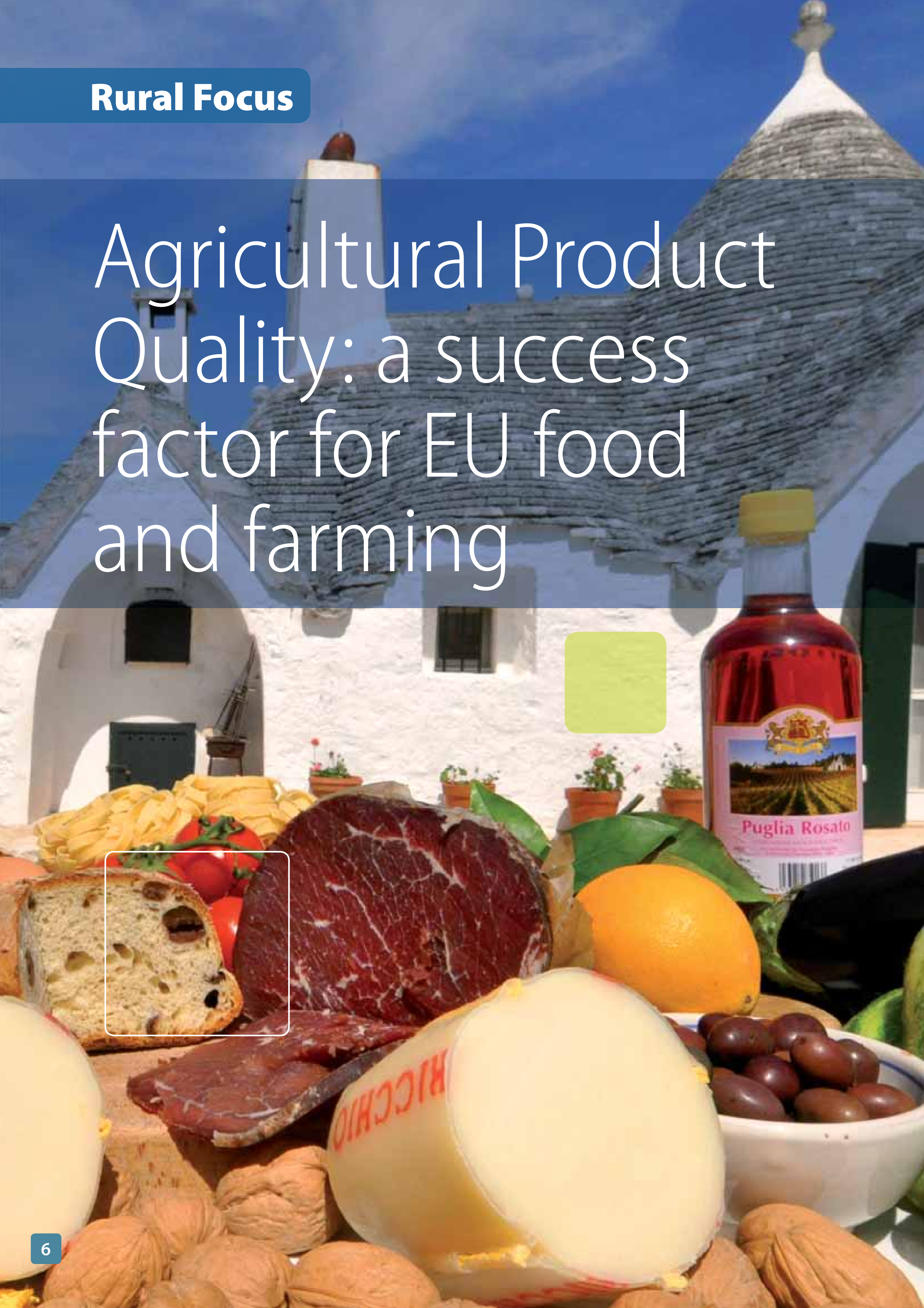
This eighth edition of the EU Rural Review takes a closer look at how EU agriculture and rural development policy contribute to the promotion of quality products in agriculture. We investigate developments taking place in this area, explore what contribution could be made through the various RDPs and consider its bearing upon agriculture and wider rural policy areas.

After an introduction to the concept of quality agricultural products, the magazine focuses on four macro-areas demonstrating the linkages between rural development policy and agricultural product quality:

- Dairy and meat in France, Luxembourg and Belgium;
- Fruit and vegetables in Italy;
- Wine across Europe;
- The relationship between agriculture and the environment in the Baltic States.

This edition also includes a collection of rural development case studies from Member States. These highlight examples of successful projects and practical experiences which demonstrate the beneficial role that RDP measures play in promoting agricultural product quality on the ground. The suite of RDP measures contributing to the provision of quality products is vast, and comprises measures, which address quality issues through both direct and indirect approaches.

Agricultural Product Quality: a success factor for EU food and farming



Quality and organic products are a key part of the Common Agricultural Policy and an important objective of Rural Development Policy. In fact enhancing food quality throughout Europe partly depends on the EU's rural development policy. support and opportunities for effective implementation depends on actions in each Member State. However, how we define quality is crucial.

Agriculture remains an essential driver of the rural economy in most of Europe. The vitality and potential of many rural areas is closely linked to the presence of a competitive and dynamic food and farming sector, attractive to young farmers, consumers and citizens alike.

Consumers around the world know that the EU's agri-food sector has a reputation for high quality, thanks to hard work, investment, innovation and attention to excellence. Food and beverages produced in the EU are synonomous with quality and a rich diversity of products, reflecting the various traditions and regions across Europe. Foods with additional selling points, including those associated with fair and ethical trading relationships, and/or local, traditional and regionally specific products, are also important.

Food safety and good working conditions underpin European food and farming, whilst marketing standards ensure that a base level of quality is achieved. This is complemented by a wide range of schemes for defining quality products in the market place, through regulation and voluntary guidelines. Pertinent examples include those, which promote the authenticity and provenance of the food (for example Protected Designation of Origin – PDO, Protected Geographical Indication – PGI, and Traditional Speciality Guaranteed – TSG), organic, and other environmental and animal welfare friendly labelling (see Table 1 for a summary of legally defined and voluntary quality marketing tools in use around Europe).

Table 1: Examples of food quality marketing schemes designations and tools

Legally defined standards

Protected Designation of Origin (PDO)
Agricultural products and foodstuffs, which are produced, processed and prepared in a designated geographical area using recognised know-how.

Protected Geographical Indication (PGI)
Agricultural products and foodstuffs closely linked to a geographical area. At least one of the stages of production, processing or preparation must take place in the area.

Traditional Speciality Guaranteed (TSG)
Highlights traditional character, specified either in the composition or means of production.

Organic products
The EU-wide harmonised legal definition of production and processing standards for food, feed, seed and unprocessed agricultural products is laid down in Regulation 834/2007. Private standards are based on this Regulation, and can go beyond it. Participation in this scheme is voluntary. The Regulation protects the use of the term 'organic' and includes rules for the use of the EU-organic logo. Defined and certified food and farming method based on principles and practices set out in detailed production and processing standards designed to minimise environmental impact and provide authentic food that tastes good and respects natural cycles and animal welfare.

Farm assurance
Base-line production standards that reflect EU law, a condition to trade in most food and farming markets.

Egg production practices
Defined production practices for laying hens to provide assurance of the system used from caged hens to 'free range' and organic methods.

Voluntary standards and guidelines

Animal welfare friendly
Production systems for livestock, which entail greater respect for the animal with improved health and welfare outcomes.

Integrated production practices
Production practices, which generally reduce the level of inputs like pesticides and other agri-chemicals.

'Slow' Food
Produced, processed and made available using traditional and artisanal methods. Established and promoted as an alternative to the growth of 'fast food' and the associated impact on diet, health and culture.

Farm shop
Retailed direct from the farm, commonly involving the farmers' own produce. Other products from the farm may also be sold. Also often accompanied by on-farm food processing (e.g. cheese or meat products). Rules and guidelines apply to farm shops in many Member States.

Farmers' market
Retailed directly by the producer at local markets. Rules are often applied to control the origin of foods sold at markets.

Fair Trade
Better conditions for the farmer and terms of trade, usually only applied to products from developing countries, but increasingly seen as relevant in Europe.

Such quality schemes can help farmers and their rural communities by supporting the revival of rural economies. They do this by encouraging transparency between producers and consumers in the market place. Thus they enable rural development, through the establishment of more integrated supply chains based on collaborative and sustainable relationships.

The market for quality agricultural products is important. In 2009, the EU retail market for organic products was €18 billion, for 'designated origin' and 'speciality guaranteed' products the wholesale market value was €14 billion, in 2007, whilst 'fair trade' labelled food had a retail market value of almost €3 billion, in 2009[1]. If the value of animal welfare friendly livestock products, and the value of sales through farmers' markets, farm shops and other direct routes to market are taken into account, then it becomes clear that the total value of food sold with specific quality attributes is very large and growing.

(1) Source: Organic: EU Data. PDO etc: EU data from quality leaflet and 1000th Product Memo. Fair Trade from FLO report.

Since 1992, protected agricultural products and foodstuffs have been registered under the PDO, PGO and TSG quality food schemes (see Table 1 for definitions). By 2010, a total of 1000 products had been registered with 47% as PGI and 50% as PDO. Only 30 products had the designation TSG. Virtually all Member States have some registered names, whilst Italy with more than 200, has the largest number of desigations.

The top four categories of registered PDO and PGI products are fruits/vegetables/cereals; meat/meat products; cheeses, and; oils/fats. The market for PDO and PGI products increased by 6% between 2005 and 2008 and interest in these products amongst consumers continues to be high. Hence, the EU's quality labelling schemes clearly satisfy some key consumer demands.

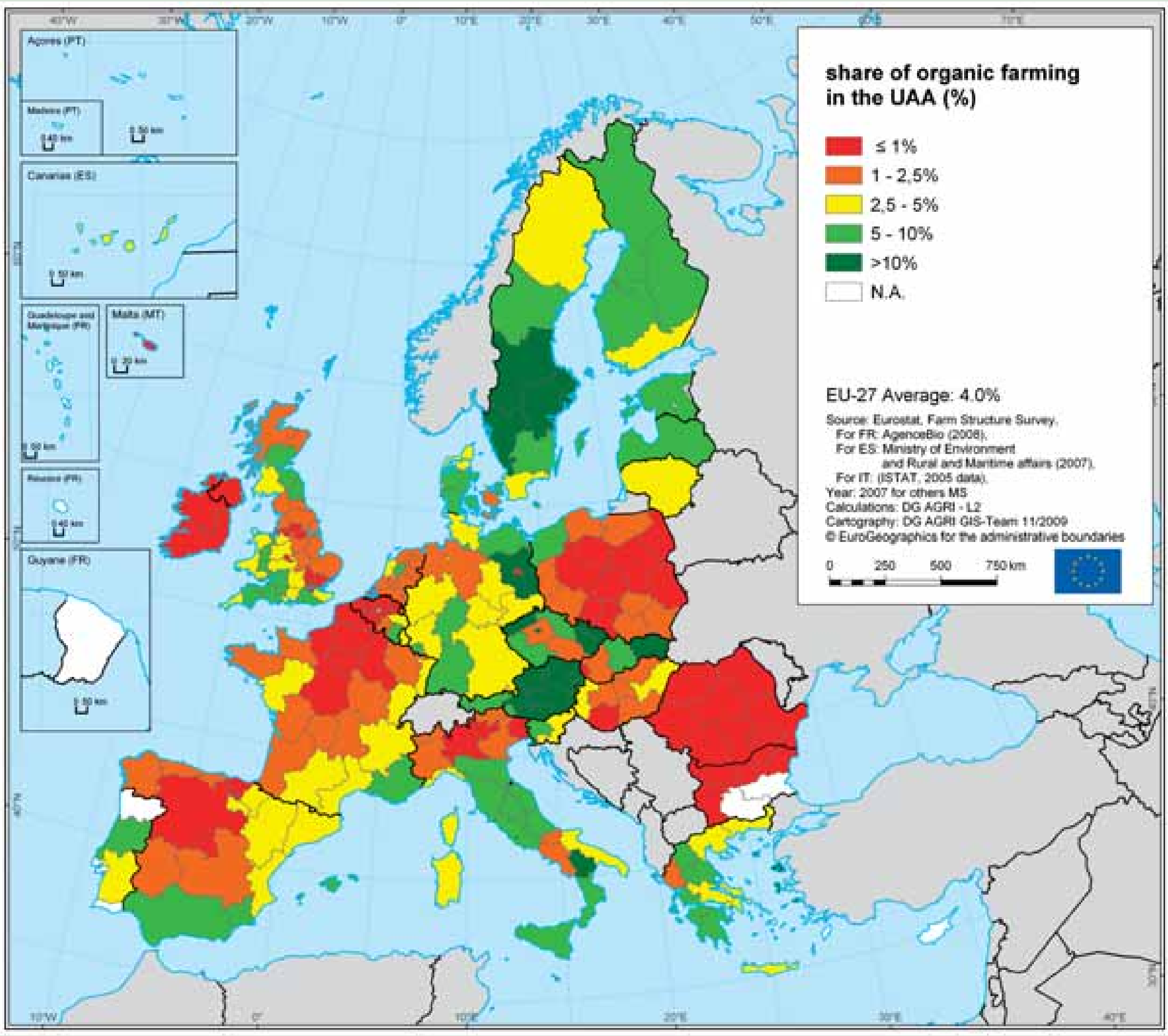
Organic qualities

The European market for organic food makes up almost half of global organic sales[2], and in fact increased by 12% during 2007 to 2008. Germany, France, the UK and Italy represent the largest markets. However Denmark, Austria and Switzerland constitute the biggest share of consumer spending. Although the global economic crisis has resulted in a decline in markets in a few countries, most continue to show growth even in the face of the economic downturn.

In Europe as a whole, 4.3% of agricultural land is managed organically, although the proportion varies widely between Member States (see Figure 1) – with the Czech Republic, Estonia, Latvia, Austria and Sweden, all managing 10% or more of their land organically. There is also quite a wide variation within countries, as regards the extent of organic production – for example, the South West of England and Wales designate a much larger area for organic production than other parts of the UK.

(2) IFOAM World of Organic Agriculture 2011.

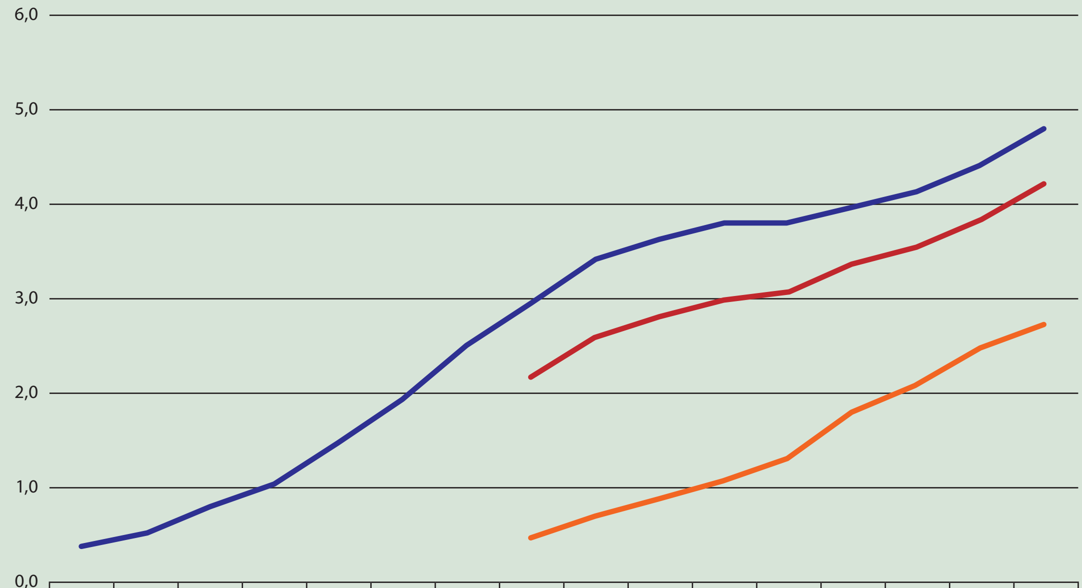
Figure 1: Organic farming in EU (% Utilised Agricultural Area – UAA)



Source: European Commission Directorate-General for Agriculture and Rural Development – An analysis of the EU organic sector (June 2010).

Despite these differences, the analysis shows that the organic sector is expanding across the EU (see Figure 2). This is particularly evident in the 12 newer Member States, with some countries experiencing quite rapid growth since joining the EU. Elsewhere, trends vary among Member States, with some of the so called 'pioneers' of the sector, such as Denmark, Finland, Sweden and Italy, displaying no or only slow growth, while other countries experience more robust growth rates.

Figure 2: Increase in organic area in EU (% of Usable Agricultural Area – UAA)



	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-15	0.5	0.6	0.9	1.1	1.6	2.0	2.6	3.0	3.5	3.7	3.9	3.9	4.0	4.2	4.5	4.9
EU-12								0.6	0.8	1.0	1.2	1.4	1.9	2.2	2.6	2.8
EU-27								2.3	2.7	2.9	3.1	3.2	3.4	3.6	3.9	4.3

Source: Eurostat and estimates from the project EU-CEE-OFP (organic area estimates for BE, EE, EL, CY, LU, MT, PT for 2008).
AT: data communicated by MAFEWM.

A recent high-profile example of a quality feature is the creation of a new EU logo for organic products. Launched in 2010, this green leaf logo provides a recognisable assurance that certified organic principles and practices have been used on the farm, during production and through the subsequent food processing stages of supply chains.

As from 1st July 2010 (with two years of transition) the use of the EU organic logo became obligatory for all pre-packed certified organic products, produced in Europe. For other organic products (non pre-packed or imported) its use is voluntary. Although compulsory, the EU organic logo does not exclude other standards and consequently other organic logos can be included on product labels. Examples include national logos like the AB in France, Bio-Siegel in Germany and Soil Association Certification in the UK.

All information on the EU organic logo, its terms of use, the list of the control bodies, EU regulations etc. can be found on the website of the European Commission relating to organic farming: www.organic-farming.europa.eu. The website includes a host of interesting and useful information including an EU Organic Promotion Toolbox and details of how the logo should be used. **Compulsory information** that must accompany the logo is presented in Figure 3.

Figure 3: EU Organic Logo: Compulsory Information

EU organic logo (the colour may differ)

FR-BIO-000

Code number of the Control body

Code number of the certifier

UE/non-UE Agriculture

Indication of the place where the agricultural raw materials of which the product is composed have been farmed: 'EU Agriculture/non-EU Agriculture'.

'EU' or 'non-EU' may be replaced or supplemented by a country in the case where all agricultural raw materials of which the product is composed have been farmed in that country.

FR-BIO-000

ISO code of the country where the controls took place

Link with the organic production such as BIO, ECO, ÖKO, ORG...

Reference number of maximum 3 digits

The new EU Quality Package 2010

Some of the quality labels used to convey quality messages about our food have legitimate legal status, whilst others rely on voluntary guidelines or informal assurances made by the producer to the consumer (see Table 1). Proposals being discussed for the CAP post-2013[3] identify several key challenges including maintaining the diversity of agricultural activities in rural areas and enhancing competitiveness. Quality is recognised as a vital tool for achieving these objectives.

Farmers and producers need the right tools to communicate quality aspects of their products and processes. The EU's agricultural product quality policy is being modernised to help EU producers compete better on the grounds of quality. A new Quality Package[4] launched in December 2010, is spearheading this farm competitiveness initiative and is expected to have a significant long-term impact on EU rural development policy.

Europe's new Quality Package contains a new 'Agricultural Product Quality Schemes Regulation', which helps to imbue existing EU schemes with more coherence and clarity. The Quality Package also reinforces the flagship PDO and PGI schemes, whilst overhauling the TSG scheme. Other key componments of the Quality Package include laying down a new framework for the development of 'optional quality terms', such as feeding methods or production systems. In addition, a new general base-line marketing standard is being established for all agricultural products, with specific powers to adopt place-of-farming and other sectoral rules for product marketing. Lastly, new guidelines about best practices for voluntary certification schemes and product labelling using PDO-PGI ingredients are being introduced.

The Quality Package thus marks the first step in modernising EU agricultural product quality policy. It specifically mentions organic food and is considered to be particularly complementary to the ongoing development of the EU organic sector. The Quality Package is the result of three years of extensive consultation and participation with stakeholders. It opens the way to a more coherent agricultural product quality policy.

It is expected that the legislative proposals to be developed by 2012, through the Quality Package, will enable farmers to better inform customers about the characteristics of their products and so help them achieve a fair price. It will also enable customers throughout the supply chain (agri-food industry, retailers and consumers) to more easily identify the characteristics and quality of products and make more informed choices.

(3) *Communication on 'The CAP towards 2020'* http://ec.europa.eu/agriculture/cap-post-2013/communication/index_en.htm
(4) http://ec.europa.eu/agriculture/quality/policy/quality-package-2010/index_en.htm

> **"The strength of European agricultural production lies in its diversity, in the know-how of farmers, and in the soil and territories of production. Farmers, who are under pressure from the economic downturn, concentration of retailer bargaining power and global competition need these tools to better communicate about their products to consumers. This Quality Package is a first step on the path of building on a stronger and more dynamic farming sector which will be followed by other initiatives"**
>
> Dacian Cioloş, EU Commissioner for Agriculture and Rural Development

Development of rural areas – quality production can be an important driver

Enabling economic and cultural activity in rural regions relies, in part, on food and farming. Society also expects that the environment will be protected, animals well cared for and healthy food produced. These are the key drivers for development. Throughout the EU, Member State Rural Development Programmes (RDPs) are helping support the development of quality and organic food and farming, through practical initiatives under various RDP measures (see Table 2 for a sample of typical RDP measures related to product quality). Such RDP support is helping to sustain a living countryside and is making direct contributions to delivering the policy objectives outlined in the EU's 'Europe 2020' strategy for a smart, sustainable and inclusive economy.

Table 2: Typical RDP measures supporting agricultural quality products

A sample of typical RDP measures supporting quality and organic rural food and farming initiatives relating to quality (including general support/training/investment etc.) includes:

- Supporting farmers who participate in food quality schemes (measures 132, 133);
- Adding value – implementing quality and traceability policies, developing supply chains and marketing platforms (measure 123);
- Cooperation for new products, process & technologies (measure 124);
- Agri-environment (measure 214);
- Animal welfare (measure 215);
- Implementing local development strategies, competitiveness (measure 411).

An interesting example of this RDP support for quality products can be found in Estonia. Using funds from measure 123 that target added value (implementing quality and traceability policies, developing supply chains and marketing platforms), the Estonian Food Network project is making the production and marketing of organic and local products more effective, responding to increasing demand for organic products.

Within the project, new partnerships have been forged between farmers, food producers and retailers using the RDP funds. This new cooperation supports localised food systems and helps maintain local food cultures via direct interventions with communities, to highlight the benefits of using quality products. Project results have led to more income being retained within the region, which is helping to increase income stability for small farmers.

Direct marketing networks for the supply of farm-products, including organic food have also been established,k providing healthy organic agricultural products to regional nurseries and schools and helping small producers to add value by processing their organic products.

Why I Love Organic – EU supported quality promotion campaign in UK

Promotion of quality products throughout Europe is a key priority and in the UK the 'Why I love organic' promotion campaign was initiated in 2011, with funding raised from the UK's organic sector and matched by finance from the EU. This three-year promotional, campaign for organic products is led by the UK's organic sector itself and aims to deliver sales growth by increasing consumer demand for organic food in the UK.

Promoting benefits of quality food can be a powerful agent for change. The 'Why I love organic' campaign invites consumers to discover what organic means by challenging their perceptions and discovering their own reason for loving it. As the campaign says, 'There are lots of reasons to love organic – what is yours?'

Press adverts in national magazines will show everyday people who would not normally be associated with buying organic, each giving their reason why they love organic products and highlighting the benefits of organic food. This is a distinctive example of an EU quality food promotion campaign, in that the funding to match the EU contribution was raised from the sector (businesses, organisations, charities etc.) and not matched by the national government.

For more information visit: **www.whyiloveorganic.co.uk**

Quality Products in the Outermost Regions

The Outermost Regions are geographically very distant from the European continent but still form an integral part of the EU. Tlhey are Guadeloupe, French Guyane, Réunion, Martinique, St Barthélemy and St. Martin for France, the Azores and Madeira for Portugal, as well as the Canary Islands for Spain. Farmers from these parts of the EU are disadvantaged by their remoteness and insularity from the EU's main internal markets. Other natural handicaps faced by rural economies in the Outermost Regions involve their relatively small size, dependence on few products, as well as difficult geographical and meteorological conditions.

In order to promote greater awareness and consumption of quality agricultural products specific to these places, a labelling scheme was introduced in 2006 (see example from Martinique). The processed or unprocessed quality agricultural products bearing this logo must fulfil normal EU standards and where necessary, product-specific requirements proposed by the local trade organisations.

Exporting producers of products like pineapples, bananas, melons and other exotic fruits from Guadeloupe, Martinique and La Reunion have benefited from this scheme so far. Similarly, producers of export bananas, tomatoes, cucumbers, other fruits, vegetables, flowers and wine from the Canary Islands, also use the logo to help customers identify with their products.

Bananas in the Canary Islands

Banana production is very important to the economy of La Palma in the Canary Islands.

Most bananas are grown by smallholders who sell their products to one of the co-operatives on the island, which then takes care of exporting. The main type of banana grown on La Palma is smaller and straighter than the Fyffes banana, and is valued for its texture and flavour by many consumers.

EU support has ensured that banana production can continue in the Canary Islands. Managed by GESBA, the producer association that works with almost 2000 banana growers, operating a marketing scheme for bananas, ensures fair returns to producers and the long-term viability of the production of this traditional fruit on the islands.

Supporting quality in the meat and dairy sector: RDP examples from the Ardennes

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The meat and dairy sector has a large impact on the socio-economic and environmental structure of rural Europe. Quality approaches to meat and dairy husbandry are actively promoted by rural development policy and these goals can be achieved through a variety of different types of project activity.

Dairy production and cattle farming are important agricultural activities in most Member States. Together, they represent over a quarter of the total value of agricultural production of the EU. The expectations of European consumers regarding the commodities from these key parts of the EU meat and livestock sector appear relatively simple, namely the availability of low priced, fresh produce of good quality. However, consumer interest in agricultural quality actually includes various aspects of the meat and dairy production process.

The baseline of consumer expectation is compliance with the regulatory standards relating to the overall hygiene of foodstuffs and ensuring that hygiene and safety standards apply to all components of food processing systems from farm to fork. Beyond this baseline, consumers are also demanding more quality criteria such as authenticity, flavour, nutritional and dietary, environmental, social or ethical quality. These apply even when consumers' main motivation for purchase is 'price', because the subjective notion of value for money is also an important quality factor. Finally there is a growing interest in local products, especially foods that are not mass produced or sourced from local areas.

Ardennes quality quest

A quest for quality rests at the core of the Common Agricultural Policy (CAP) objectives for rural development. The CAP seeks to raise the level of food quality, through actions such as promoting the identification and labeling of animals to enable full traceability from the farm of origin to point of sale; incentives for conversion to organic farming; and a range of other financial supports offered to meat and dairy farmers under EU rural development policy, to improve product quality.

Together, these actions can help farmers and agri-food firms to better meet the expectations of consumers and so put their businesses in a stronger position to compete for local, national and global markets.

The Ardennes is a geographical region of extensive forests, largely located in Belgium (Wallonia) but also including the Ardennes department in France and the Eifel in Germany. Local geology, forests and landscapes impose a natural limit upon agricultural productivity and consequently livestock breeding is one of the Ardennes' main agricultural activities.

However, key weaknesses regarding the region's meat and dairy sectors include a lack of innovation (R&D) in the processing industry and difficulties in promoting products and organising local production chains. In response, some initiatives have sprung up to improve the quality of products, forages and feeding practices with quality initatives and local food promotion, noted as rural development tools for helping to strengthen markets for local meat products, in regions removed from big urban centers and economic areas.

The following three case studies highlight how RDPs are helping meat and dairy producers from the Ardennes regions to achieve their quest for quality.

Porc Qualité Ardennes (PQA) in Belgium: an example of a voluntary certification scheme

Porc Qualité Ardennes (PQA) is a cooperative of pig growers and feeders that was formed in 1989 by a group of meat sector bodies, who joined forces to compete on the quality of their pork products. The group now includes more than 100 pork producers from the southern part of Belgium's Ardennes region, which has successfully built up a reputation for providing quality throughout its product range.

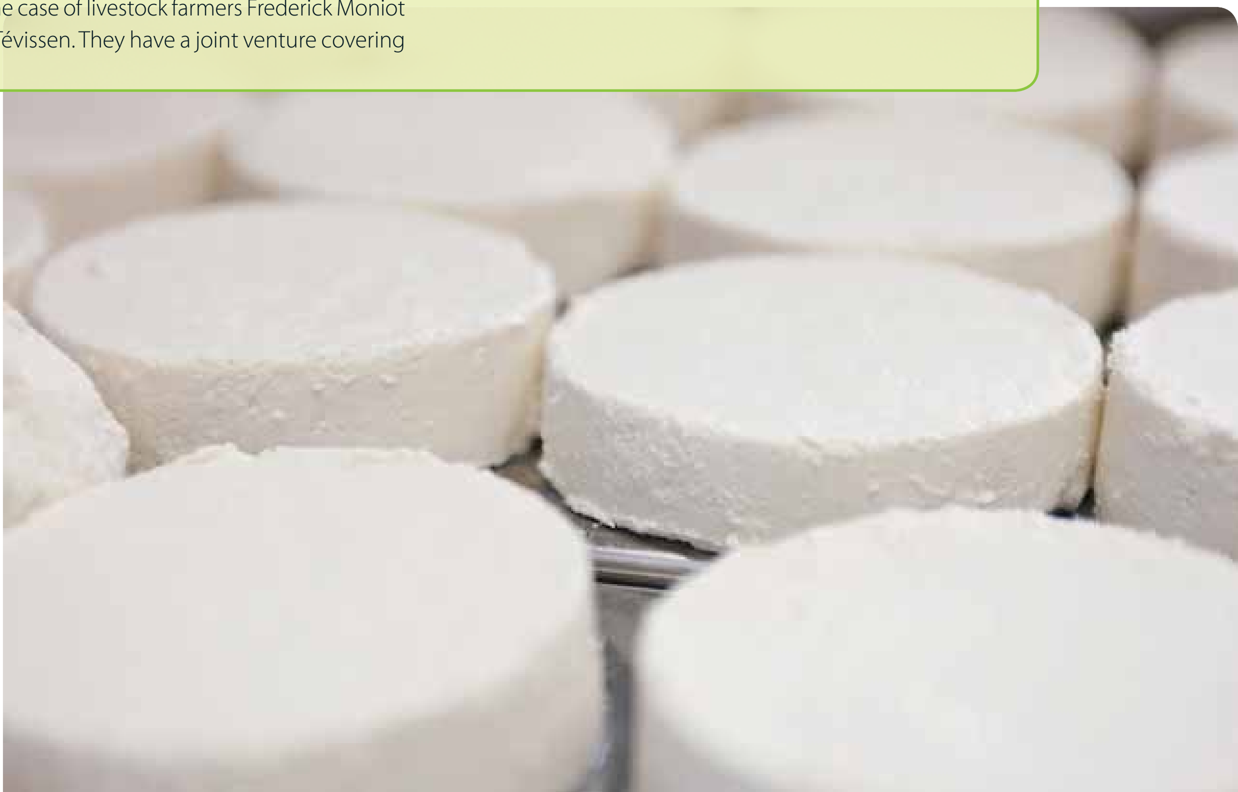
PQA supports alternative ways of breeding pigs with high quality standards and this is helping breeders to maintain more diversified activity on their farm. Producers are consequently less affected by market instability, such as a recent pork crisis, because they base their farming strategy on local chains, and on consumer information about the quality guideline for PQA pig production.

PQA members work under strict conditions set by the Walloon, Federal and European authorities. All parts of the PQA production process are controlled by independent certification bodies. PQA activity is based on three quality labels: Porc Fermier, Organic Pork and Outdoor bred Pork. Each of these quality schemes receives either direct or indirect RDP support through measures assisting certification costs and the agri-environmental measure for organic production.

GAEC de Mont Fossé: organic dairy production in France

In Champagne-Ardennes (France), nearly 3 200 farms keep livestock. Production is mainly located in the departments of Ardennes and Haute-Marne. Forage production, particularly in the grasslands, is an important element of the landscape, as well as for the preservation of environmental quality. Livestock contributes to the maintenance of economic activity and social life in rural areas. The intervention of the region aims to support local production chains and maintain grassland areas. The RDP strategy aims to keep land in organic agriculture, and in 2009, 53 farmers applied for support from the organic measure. Between them they received €1 315 236 from the RDP for organic activities.

One example is the case of livestock farmers Frederick Moniot and Christopher Tévissen. They have a joint venture covering around 230 ha and raise a herd of around 100 cows. Since 2002, they have been certified as organic farmers-breeders. And since October 2005, due to a new and modern workspace, they have been producing organic milk, which they also process themselves in flavoured or fruited yogurt, fresh and curd cheese, cream, butter and pasteurised milk. They sell their products directly from the farm, to collectives, as well as via local shops and markets in the region. Thanks to land dedicated to organic forage and cereals, they are close to being self-sufficient in feeding their animals. Their company is a member of Eco-Territoires, an NGO in charge of a collective selling point. They receive support for marketing and developing new markets in rural areas.



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Beef from the Gaume Grassland in Belgium

On the territory of the Local Action Group (LAG) Cuestas, a local chain for beef production is being implemented. The project aims both to develop the local economy by creating an alternative to current imports of beef, and to address the environmental challenges linked with the maintenance of the Natura 2000 area.

Ten organic beef producers and local butchers are involved who use common specifications. Their guidelines are more binding than organic standards and are created by local stakeholders (environmentalists, consumers and breeders). The guidelines ensure that cattle are raised mainly from forage and grass without chemicals, herbicides or synthetic fertilisers. The breeding of these cattle also allows the maintenance of sensitive areas, valley bottoms and swamps. It gives the farmer a good income and can improve the trust of consumers.

The LAG supports breeders in the implementation of a structure for collective marketing, trademark promotion and organisation of the local chain from production to the butcher. The initiative has received €123 124 of RDP funding under the Leader axis. The project started in 2009 and will run until 2012.

Quality through organic farming: some experiences from Italy

Italy is home to one of Europe's most extensive organic farming sectors and quality products are providing important income sources for rural businesses, from export sales to other Member States.

The aim of EU development policy for rural areas includes providing food diversity and creating local employment. Organic agriculture, with its focus on environmental-friendly practices and quality, can fulfil these goals. In addition, organic farming provides an opportunity for improving the competitiveness of rural economies, especially when based on highly qualitative processes.

Furthermore, organic principles represent a natural complement for the green thinking that forms a central part of the European Commission Communication in November 2010, about the future of the Common Agricultural Policy (CAP). This blueprint for the future of European agriculture stresses the importance of 'green growth' techniques in rural development. The accompanying Quality Package - also launched late in 2010 - promotes the role of environmentally sustainable approaches, as a tool for effective long-term rural prosperity.

Organic agriculture involves a wide variety of practices regarding management models and entrepreneur stories, and is not confined to small farms whose produce (mainly fresh) is sold only at local level.

Italian organic food experiences

Italy is a country where organic vegetables and fruit are prominent, and the following case studies demonstrate how EU rural development support has been used effectively to strengthen the Italian organic sector.

A young cooperative working on state-owned land

In the Italian region of Apulia the 'Libera Terra Puglia' is cultivating vineyards, cereals and vegetables using organic systems on 50 hectares of land which is state-owned after being seized from criminal organisations. The cooperative currently employs four full-time workers and up to 50 part-time staff. The cooperative's turnover is close to €750 000.

Fabio Zullo, the cooperative vice-president is keen to stress that 'we accessed measure 214 of the RDP for its support to organic farming, and it proved a fairly easy tool to handle. We devote a lot of attention to the quality of produce before it is processed. We carry out preliminary studies, and monitor the product's lifecycle up to its after-shelf life. Packaging is also considered an important element of the farm's quality philosophy, since this has been shown to enhance customers' appreciation of the product'.

Innovations are not uncommon at the cooperative, and novel developments include the reintroduction of an old tomato variety by local farmers, named 'Fiaschetto' (little fiasco). The fruit has a hard skin and some agronomic drawbacks, but it is rated highly for its use in the sweet sauce for pasta.

One area where innovation is seen to be necessary, but challenging, is in the establishment of local supply chains. Many farmers in the surrounding territory are still sceptical about organic farming, especially in the wine and vegetable sectors. It has also proved difficult to sell fresh vegetables in their region because no specific distribution chain already exists, as in other regions of southern Italy.

'Yet we are confident we can succeed in addressing such issues. We set up a consortium with other cooperatives, which work on land confiscated from criminal organisations, and in late 2010 we were involved in launching the first producers organisation for promoting organic farming in Puglia,' says Mr Zullo. The consortium includes experienced distributors of organic produce, from other Italian regions, and this should help to solve what appears to be a strategic problem for organic farming in southern Italy.

German entrepreneurship supports Tuscan quality

Karl Egger is a very passionate entrepreneur, entirely devoted to improving his farm business in Maremma, southern Tuscany, where he moved to from Germany. Mr Egger's farm has grown from strength to strength over the last decade and he explains, 'We cultivate some 440 hectares and employ 54 people, 20 of them full-time workers. Our turnover increased by 15% every year in the last 5 years.' His LaSelva farm currently offers some 130 different products for sale (soon to include online sales), of which approximately 70 derive from the vegetable sector (vegetables, tomatoes, and a dazzling variety of sauces). Each year he experiments with new vegetable varieties and tests alternative agronomic techniques in order to try and improve the quality of the farm's produce. Vegetables are then processed using high-quality equipment, and most jars are filled by hand.

LaSelva looks like a laboratory, where its employees are fully committed to testing new solutions for improving the farm's operations and product quality. In addition to modern technologies, such as photovoltaic panels, the farm has recently set up a system for drying tomatoes, saving 30% of the fuel previously required. It also successfully received support from measure 114 (via farm advisory services) and measure 214 (concerning agri-environmental payments) of the Tuscan RDP, both of which provided valuable support for the farm's overall quality operations.

LaSelva is certified organic by four different bodies (from Italy, Switzerland, Germany and the USA) and this allows access to a wide market place. It regularly hosts University students for didactic tours, and annually provides its produce to a nearby festival ('Festambiente') organised by one of the main environmental NGOs in Italy. 'Starting this farm in 1980 was a pioneering effort. Since then, demand for organic food has constantly risen, and our products have established an excellent reputation,' a smiling Mr Egger concedes.

Nevertheless, Mr Egger points out that despite his best efforts, 'The Italian market is still a bit difficult for us, because organic produce is not yet fully recognised for its value and specificity. Selling in Europe and outside Europe is easier.'

© KARL EGGER

A small haven in the middle of a busy plain

Imagine a rural plain close to a river, located a few kilometres from a city in an industrialised countryside. Arable, fertile land, with plenty of water is available, but nevertheless farming is still often a struggle due to the intense pressure of new urban growth. That is where Severino Bozzolan and his family manage to live comfortably, practising 'biodynamic' agriculture since 1995. This type of farming is a branch of organic farming which, apart from demonstrating the importance of natural soil fertility and maximising sunlight, pays special attention to some intangible factors, commonly disregarded by farmers, such as the moon cycle and planet arrangements.

Results from Mr Bozzolan's endeavours are encouraging, both in terms of quantity and quality of produce. Much of their success is attributed to their work with the El Tamiso cooperative which was established in the early 1980s, and today has a membership of around 45, mainly small-scale farmers. The cooperative started selling fruit, vegetables and canned food directly to consumers' groups and school canteens. It now participates at open markets in the territory, organises some special events in Padua's squares several times a year and opens a stand at the Padua farmers' market every Saturday.

Members are quite satisfied. And so is Mr Bozzolan. 'I sell most of my vegetables to the cooperative, but I also have a regular flow of devoted customers who come to my farm. I am particularly proud to hear them say that it is a special place. The aid derived from the EU's agri-environmental payment for organic farming, has helped me to properly set up my activity' he says.

Mr Bozzolan grows approximately 15 different types of vegetables per year (eggplants, peppers, potatoes, etc), but keeps small sections of his fields with thorn-free blackberries, gathered directly by satisfied customers when harvest time arrives.

'I am a farmers' son, and I have always worked here. Biodynamic agriculture is the legacy I will leave to this world. And it is a very nice one,' concludes Mr Bozzolan.

© ELIA BOZZOLAN

Supporting quality in the wine sector

The EU is a leading producer of wine. Producing some 175 million hectolitres every year, it accounts for 45% of wine-growing areas, 65% of production, 57% of global consumption and 70% of exports, in global terms. Quality is a vital feature, which EU wine growers use to help maintain their impressive market position.

European wine producers have been facing difficulties in recent years, in particular due to decreasing consumption and increasing competition from 'new world' wines of the United States, Argentina, China Australia, South Africa and Chile.

In order to address problems the wine sector has been facing in Europe, the European wine sector reform was introduced in 2008. The aim of the reform was to bring balance to the wine market; phase out wasteful and expensive market intervention measures; and allow the budget to be used for more positive and proactive measures (such as vineyard restructuring, investments for production and marketing, and promotion in third countries) through national support programmes, in the framework of the first pillar of the CAP (Single CMO).

Furthermore, to promote quality wines, the EU established two basic designations for quality wine: PDO (protected designation of origin) and PGI (protected geographical indication). PDO and PGI officially guarantee the quality and origin of products, with a history and tradition behind them.

Traditional wine production is also supported within the framework of EU Rural Development Programmes (RDPs). RDP measures used by the wine producers include those related to support for setting up of young farmers, support to environmental friendly practices, and preserving the countryside investment aid for modernisation, processing and marketing support, as well as support for the early retirement of older producers. In order to increase the financial means available under RDPs, the 2008 Wine Reform established a gradual transfer of funds from the CAP first pillar to the second pillar, which covers rural development measures in wine producing regions for the following Member States: Spain, France, Italy, Slovenia and the United Kingdom.

RDPs and Wine Quality

Rural development measures recognise that the wine sector's contribution is not only substantial in terms of agricultural income, but also has important linkages to other areas of rural life. As the 'wine in moderation' (www.wineinmoderation.eu) website states, 'The sector permeates many levels of European life, contributing significantly to society in socio-economic, environmental and societal terms: where vines grace the landscape, the wine sector provides employment to millions, helping to sustain the fabric of rural societies and maintaining a way of life that is central to the very notion of European identity.' Quality approaches to sustaining wine's multi-functional rural benefits are therefore highly relevant.

One representation of the interconnectedness of the wine sector with other rural development sectors is 'wine tourism'. A 2010 study by an Italian researcher on 'heritage and wine as tourist attractions in rural areas'[1] shows that wine tourism in Italy is growing in importance. The study concludes that the development of wine and food tourism in general, if linked to quality local products and the territory they represent, is an opportunity for the further development of wine production.

Cooperation between wine producers and foresters in Spain is another example of how synergies across different sectors, namely environmentally-friendly cork growing and wine production, can be successfully exploited for the benefit of rural areas.

Perfecting the sparkling wine-making process, in an English vineyard using EU support

Eastcott Vineyard at Northlew in England is now selling its 'Eastcott Sparkling Brut', the business's first English quality sparkling wine. The new development follows four years of hard work, and perfecting the sparkling wine-making process. For owners Hilary and Richard Waller, it's not only the latest product in their successful suite of still and sparkling wines, made in their own winery, but it also means they have achieved the original key goal of their business. 'We always wanted to develop a good quality English sparkling wine and we wanted to use the traditional method', explained Hilary.

After setting out to look for a house with two south-facing gently sloping and well-drained fields, they found a property in Northlew in the county of Devon in South-West England and their 'labour of love' began. Along the way, it has also been involved in renovating holiday cottages on their land and making sure they keep their carbon footprint low. Earlier this year, to help complete their goal of producing a quality sparking wine, the couple received an RDP grant under measure 123 (adding value to agricultural and forestry products).

In addition to co-financing wine making equipment, the RDP funding packages also helped them to install a rainwater harvesting system on the winery roof, to reduce use of metered domestic water. They use the rainwater for spraying the vineyard and washing down winery floors. Other environmental outcomes from the RDP assistance, included support to increase insulation and improve temperature stability by passive means in the winery. Further RDP funds enabled them to pay for an official tourist sign, which is helping boost their guided tours and cellar door sales. Now their wines are also being sold in some local retail outlets, and they hope that their latest offering will continue to help them with this.

For more information visit: **http://www.sw-ruralgateway.info**

(1) Privitera, D. (2010), Heritage and wine as tourist attractions in rural areas, Paper provided by European Association of Agricultural Economists in its series 116th Seminar, October 27-30, 2010, Parma, Italy (Link: www.infoagro.net/shared/docs/a5/123.pdf)

Raise a toast to sustainable rural development: successful cooperation of organic grape producers and cork oak foresters in Spain

Uncork a bottle of wine and raise a toast to sustainable rural development. This is the idea that the promoter (World Wildlife Fund) of the 'Organic vineyards and FSC (Forest Stewardship Council) cork' project is committed to.

The project shows how the joint development of two quality products can contribute to multiple development goals in the area, such as the improvement of local competitiveness, environmental protection and improvement of the quality of life for local people. The project promoter, WWF Spain, is the Spanish branch of one of the largest independent organisations committed to nature conservation.

Cork oak forests are important resources for rural development in Spain, and contribute highly to the sustainability of natural resources and biodiversity. However, the increasing use of synthetic materials, as a commercial 'cork substitute' threatens this industry. At the same time, although Spain is a leader in wine production in Europe, organic wine production of wine made from organic grapes, still remains relatively limited. The project aims to address both of these challenges.

WWF aims to bring together winemakers and cork producers, in order to promote wine made of organic grapes and FSC cork production jointly. FSC certification is a scheme of the Forests Stewardship Council for promoting environmentally friendly and socially responsible management of forests. 'The consumers must know that by buying bottles closed with cork they are helping to conserve forest resources and an ancient tradition,' says Adolfo Miravent, a cork producer.

Among others, project activities include training on good agricultural and forestry practices, consumer awareness-raising about the importance of products that are produced through responsible landscape management, the operation of an expert panel on sustainable development in wine production and the elaboration of a best-practice manual.

For more information visit: **www.wwf.es**

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Back to the future: promoting 16th century environmentally-friendly wine production methods in Hungary

The Balaton Uplands Action Group (Éltető Balaton-felvidékért Egyesület) was founded in 2008, with the involvement of 60 settlements located at the northern side of Lake Balaton in Hungary. As a common tourism destination, continued revival and innovative services are at the core of the area's development strategy.

The main objective of the Balaton Grape and Wine Cultural Association (the project promoter) is to produce high quality wines and raise awareness about the wine-making traditions of the area. The exceptional added value of the project is that it contributes to the preservation of both the cultural and environmental heritage of the local area. The aim is to achieve this through high value-added grape growing and wine production.

The Association has planted indigenous grape varieties from the 16th century on the hillside of the Sümeg Castle. They also grow grapes through procedures applied during the 16th century, which is partly a necessity as the hillside is of limestone and only suitable for manual cultivation. Lavender and roses are planted at the base of the grapes, the former to keep certain pests away, and the latter to signal the appearance of specific fungal contamination. Furthermore, only naturally based spray fertilisers, as well as manual weed control, are used in the vineyard - and no insecticides are used at all. The Association also applies special methods against 'pests' (such as birds and insects) through ensuring natural habitats for them, planting forest on one side and grassland on the other side of the grape plants.

The project aims to present the traditional wine-cultivation methods of the 16th century. Leader funds from the Hungarian RDP's axis 4 are provided for the promotion of the unique cultivation techniques, used by the Association in order to increase the touristic attractiveness of the area. The path to the grape plants has been converted into a tourist walking path, and information boards and resting areas have been established.

For more information visit: **www.balatonleader.hu**

Innovative ways of producing and promoting quality local wine

The need for a new European-level organic legislation concerning the wine sector has been recognised for some time now (so far wine making was excluded from using Annex VI on processing aid and food additives of the previous EU regulation on organic farming). Currently, no organic wine certification exists in Europe, which could valorise the unique wine production methods (i.e. processing as well as grape growing), including the level of sulphites that can be used. This is seen as a concern by producers in Europe as it makes them more vulnerable to competition from countries such as the United States, where wines can be labelled as 'organic' rather than just 'from organically grown grapes'.

However, the lack of agreement on the organic legislation has not prevented European wine producers from finding innovative ways of producing and promoting the quality of their products. One of the wine projects supported in Hungary within the Leader axis is just one example. Although the producers involved use environmental and health friendly production methods, at this stage they do not consider it neccessary to obtain an 'organic certification'.

These and other good practice examples exist to show that RDPs provide useful incentives for farmers to grow quality grapes and produce quality wines. Rural development measures can help to sustain traditional quality wine production in Europe, as well as help more people to recognise it.

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Useful links

The reform of the EU's wine sector - Unleashing its potential, European Commission
Link: **http://ec.europa.eu/agriculture/capreform/wine/potential/index_en.htm**

What is the current situation of the European wine sector?, European Commission,
Link: **http://ec.europa.eu/agriculture/markets/wine/index_en.htm**

Promoting product quality in connection with the environment in the Baltic States

Food quality is a key part of EU policy and one important trend is the increasing link between product quality and the environment. This can be observed throughout the EU, including in the three Baltic States of Estonia, Latvia and Lithuania.

Farming and the natural environment influence each other and EU agriculture and the environment are largely regarded as complementary. Council Regulation 2078/92 made the introduction of agri-environmental programmes or measures mandatory across all Member States, to help facilitate the effectiveness of this relationship. For the current programming period, Member States have to include agri-environment measures in their Rural Development Programmes (RDPs).

The relationship between agriculture and the environment has taken many different forms in different countries. For example, the Austrian experience is about preserving the natural environment, whilst the Dutch experience is much more about returning intensively cultivated land to nature. However, despite these different approaches they have one thing in common - in both cases there are increasingly important connections being made between the 'quality' of a wide range of traditional, local or organic food products and the 'environmental attributes' of their production and distribution/marketing.

A similar trend towards connecting food quality with the environment is now also emerging in the Baltic States.

Baltic quality

Intensive agriculture in the Baltic States naturally slowed down after the changes in the economic and political system following the end of the Soviet era. As a result of the land restitution process, farming areas became very fragmented and often unfavourable for farming. Many farms in the region now consist of small separate land plots, located at a distance from each other. In terms of the rural environment, fertile land resources are available, with low levels of contamination and a high level of biodiversity. Yet in areas where intensive farming exists, fertilisers and pesticides have caused environmental damage and there are large areas of abandoned land currently posing a threat to biodiversity.

The useable agricultural area comprises about 33% of the entire Estonian territory. In Latvia, this figure is at about 40% and in Lithuania about 53%. Milk production is the key agricultural activity in Lithuania and Latvia, followed by grain production and the breeding of livestock and poultry. In Estonia, 30% of farms specialise in livestock and 30% in crops[2].

Both the milk and meat sectors are dominated by small-scale producers, resulting in low labour productivity, competitiveness of primary livestock production, difficultiy in complying with quality, hygiene, environment and animal welfare requirements. Low productivity, both in meat and milk production farms, is also a result of insufficient stocks of genetic potential.

The Baltic States joined the EU after major reforms took place in the Common Agricultural Policy (CAP). These reforms represented a step towards supporting the broader rural economy, rather than pure agricultural production, as well as ensuring that farmers are rewarded - not only for what they produce - but also for their general contribution to society. By joining the EU, the Baltic States' agriculture has been exposed to the challenges of the EU common market in the form of higher competition for agricultural and food products in the domestic market and the need to comply with high quality standards, as well as defined trade and production quotas. Environmental, food safety and animal health and welfare standards now have to be applied, thus reinforcing consumer confidence and increasing the environmental sustainability of farming. This is building a new farming culture in the Baltic States.

At the same time, the EU also uses more of its CAP budget to stimulate extensive and organic farming, landscape preservation, and habitat and biodiversity conservation, all of which ultimately protect our environment and provide new quality public good products for the wider society. This approach has been actively applied in the Baltic States since EU membership in 2004.

The result has been a significant growth in agri-environment programmes and the utilisation of environmental quality approaches in the Baltic Member States which aim to encourage environmentally sustainable production and rural development. Compared to the previous Soviet system there has been an explosion of more environmentally-friendly farming practices which protect soils, safeguard water supplies, and create rich ecological landscape,s and a countryside that is better for people and wildlife, as well as the production of safe high quality food.

Organic farming in Lithuania in 2009

There are 2 700 certified organic farms in Lithuania, the total area of which is over 128 900 ha. The average area for a certified organic farm is 48.3 ha.

Organic grain production comprises 49% of the whole sector. The least popular crops for organic production are the cultivation of potatoes, vegetables and fodder beet (only 0.33%). Organic sheep breeding is most popular, with 13 000 sheep certified organic.

The number of organic farms in Lithuania has reduced during the last two years, but the farms are growing in size. Net added value by Lithuanian organic farms is half the EU average and about a quarter less than Austria. All Baltic countries show similar figures.

(2) http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Farm_structure_in_Estonia

RDPs and environmental quality

RDP measures from axis 1 in the Baltic States are helping to restructure and develop physical potential and introduce innovation, improve human potential and increase the quality of agricultural production. The most applied measure in the Baltic States is measure 121 – modernisation of agricultural holdings. Long-term investments are particularly encouraged to help reduce the environmental impact of agricultural activities.

Measure 114 - use of advisory services support - is also included in the RDPs of all three Baltic countries and is actively used to support agri-environment measures and organic farming. Measure 131 - meeting standards based on community legislation - is used in the Estonian and Latvian RDPs to enhance the environmental standards of the countries' agri-food businesses. This in turn allows such companies to better promote the environmental credentials (and associated quality) of their procucts, which helps provide competitive advantages. Axis 2 measures 214 – agri-environment payments, and 215 – animal welfare payments promote the sustainable use of agricultural land and provide a wide range of high-quality Baltic products.

Furthermore, these mainstream RDP measures provide additional quality products, which help Baltic rural areas to compete for tourists - through investment, for example, in their beautiful landscapes, traditional breeds of domestic animals, clean rivers and lakes, and rich biodiversity.

Other types of RDP support promote environmental approaches to quality in the Baltics, include measure 141 providing assistance for semi-subsistence farms. Semi-subsistence farming is a specific phenomenon in Member States like Lithuania, Latvia and Estonia. All three Baltic States include measure 141 in their RDP toolkit and the funds are able to help small-scale farmers steer their businesses towards more market-oriented approaches. Much of the land farmed in semi-subsistence areas remains in a good environmental state and it is not uncommon for these areas to enjoy a High Nature Value (HNV) status, or form part of a Natura 2000 designation for the wildlife and habitats that the farming systems help to sustain.

RDPs are able to help semi-subsistence farmers build their businesses in environmentally sensitive ways which allows them to increase the quality of productivity, as well as diversify their income streams. Such RDP support, not only increases the availability of quality local products and conserves the Baltic States' unique countryside, but also allows farmers to continue using traditional low-impact systems, and so help maintain important aspects of local identity and rural culture.

The Baltic States in general are considered as essentially rural countries. Even those who live in towns have strong links with the land and natural environment. The implementation of EU rural development policy clearly promotes and supports this link, and helps rural businesses and communities to harness the resources available to them in the most environmentally friendly way – to the benefit of everyone – e.g. a high quality rural environment and high quality rural products.

Eco-farming in Kiltsimäe Farm in Estonia

The aim of this project is to offer healthy organic agricultural products. There was a lack of organic vegetables in the local market, which prompted Mr Lille to start growing organic vegetables on 10 ha in 2003. Vegetable processing facilities are arranged for cleaning, peeling, slicing and packing. The project benefitted from funding from the Estonian RDP's measure 214, as part of an agri-environment payment scheme. RDP support helped the farmer and his family continue to live off their agri-business and extend its operations into nature conservation objectives. Public goods have been produced as an indirect result, and the organic products are able to compete on the basis of environmental quality. This provides the farm with competitive advantages over and above that of other non-organic units.

Organic product market development in Latvia

The Organic Product market development in Latvia's RDP explains the importance of organic farming in the EU's sustainable development context; provides information on the EU organic logo and the Latvian organic mark 'Latvian ecological product'; and encourages consumers to take a personal interest in organic products. RDP support here involves:

- Organic product brand name introduction (presentations during events, organic food recipes promotion, and TV programme support);
- Organic produce promotion actions (brochures on organic farming, newspaper articles, media information, participation in international exhibitions, and cooperation with educational institutions);
- Organic product selling (Organic product fairs);
- Assessment of the market situation (media monitoring, consumer surveys, market research).

Consumer awareness of organic products increased from 7% to 30% and public attention focused on the benefits of organic products. The programme received an overall contribution of €150 000 from the Latvian RDP between 2006 and 2008.

The programme has been implemented by the Association of Latvian Organic Agriculture (ALOA).

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Modernisation of Saulius Daniulis' organic farm in Lithuania

Saulius Daniulis started organic farming in 2004 in the Ukmerge district and he is now the Chairman of the Lithuanian Organic Farms Association. His orginal organic venture focused on soft fruits, but recent RDP assistance from Lithuania's measures 121 and 214 has been used to help him expand his sustainable agricultural systems to cover mainstream grain production. RDP co-finance helped him invest in new machinery such as a harvester, tractor and harrows. This new equipment has increased his competitiveness and production capacity to such an extent that his family farm is now cultivating 500 ha of organic fields, with quality grain being the main crop.

The new machinery enabled new types of low impact land cultivation using non-ploughing techniques. These save fuel and time and support the soil structure. Mr Daniulis is also very pleased with the way that the new machinery copes with weeds, which is important in terms of finding cost-effective ways for gaining high producvity on organic farms.

Strategy is the key for coordinating RDP support to organic farming

Organic farming approaches form an integral part of the EU's quality policy for agricultural products, and a recent analysis of Europe's organic sector highlights a need for policy support measures to be guided by a comprehensive strategy.

The Analysis of the EU Organic Sector (June 2010)[1], which was carried out by the German Federal Ministry of Food, Agriculture and Consumer Protection for the European Commission's Directorate-General for Agriculture and Rural Development, highlights considerable variability between Member States and regions, both in terms of the development of the organic sector and the types of support available through the Rural Development Programmes (RDPs).

For example, in the Czech Republic, a comprehensive strategy for the development of the organic sector takes advantage of a wide range of EU support (agri-environment measures, support for the processing industry, promotion). This approach appears to be bearing fruit, with the country now benefiting from a high rate of growth in the total area devoted to organic farming and in the number of producers with a low level of producers leaving the sector, dynamic development of processing capacity, and a 60% share of the domestic food market for the Czech organic sector.

Diversity of RDP support

Differences in the scale and rate of development of the organic sector between Member States and regions are at least partly attributed to the different kinds of support available through the RDPs. For example, through the agri-environmental measures, certain programmes only provide support for areas under conversion, while others support areas under conversion and converted areas.

Support for organic farming through the agri-environment measures (under axis 2 of the RDPs) is seen as one of the most important support tools in the current programming period (2007-2013). However, the German Ministry's analysis also highlights the fact that some Member States and regions assign higher priority to supporting the organic sector through axis 1 measures, such as farm modernisation, training and advisory services, investments in processing and

(1) http://ec.europa.eu/agriculture/analysis/markets/organic_2010_en.pdf

marketing, food quality schemes, and producer groups. In such cases, organic producers generally benefit from higher levels of support than conventional or non-organic producers.

Certain axis 3 measures are also being used to support the long-term competitiveness of organic farms (e.g. support for diversification into non-agricultural activities or tourism projects).

A balanced development of the sector

The analysis concludes that 'success and balanced development of the organic sector depends on the implementation of a comprehensive strategy, which cannot be limited to agri-environment payments only.' The report suggests that a wider package of measures is required to ensure that the institutional environment surrounding organic farming (research, extension services, etc.) and the development of the supply chain and the market are also supported.

The report warns, however, that not all Member States have such a strategy in place. This is particularly true in some of the newer Member States, where the authors suggest that an over-emphasis on agri-environment payments could lead to imbalances in supply and demand; particularly as organic food consumption is still relatively low in these countries, compared to the rest of the EU.

Moving beyond 'niche agriculture'

Looking to the future, the analysis suggests that the organic sector is now extending beyond 'niche agriculture'. It concludes that successive reforms of the CAP have removed any disincentives, for example by decoupling payments from production, and that the support provided through the RDPs have contributed to the rapid growth in organic production, particularly in the EU-12, where 'market pull' is less of a factor.

Despite this, the report raises the concern that sizeable numbers of producers still revert to conventional farming every year in the EU, which it says 'reveals a certain fragility of the organic sector'. In this context, it raises a number of questions with regard to the way support is provided, whether it is stable and predictable; focuses on stand-alone measures or forms part of a comprehensive strategy; as well as whether or not it takes adequate account of the market demand for organic products.

These elements, it stresses, 'underline the need for multi-faceted strategies, which combine supply development policies with the establishment of a comprehensive institutional framework (including extension services, research) and 'demand-pull' strategies (such as a communication on organic products).'

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ENRD support for quality and organic products

The European Network for Rural Development (ENRD) focuses upon supporting the implementation of RDP measures in three main areas:

- Knowledge development, namely providing deeper insights into rural development policy;
- Knowledge sharing, ensuring access to and dissemination of useful information;
- Exchange and cooperation, facilitating exchanges and cooperation between rural networks and actors at EU level.

One of the main tools for developing understanding of the kinds of support for quality and organic products being offered through the RDPs in different Member States is the RDP Projects Database, available on the ENRD website. The database provides examples of how the EAFRD is being used in practice by everyday businesses all across Europe – a comprehensive 'one-stop-shop' for information on rural development projects from all Member States and covering all RDP axes.

For more information visit: **http://enrd.ec.europa.eu**


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Sowing the seeds for organic produce in Slovakia

Zuzana Lehocká is employed by the National Plant Production Research Centre (CVRV) in Piešťany, Slovakia. A graduate of the Slovak University of Agriculture in Nitra, Ms Lehocká has been working in the field of organic agriculture since 1998. Her areas of research include agri-environmental systems, sustainable and low-input farming systems and conservation agriculture.

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Organic agriculture has gained a significant foothold in Slovakia in recent years. 'Some 7.05% of total agricultural land is managed organically – 136 688 ha – with 22 613 ha in conversion,' says Ms Lehocká.

Ms Lehocká has coordinated a number of national projects to develop organic farming in Slovakia, and has contributed to an international project on agricultural supply chains in EU Member States led by the Wageningen University and Research Centre (WUR), in the Netherlands. In addition, she has helped organise ECOMIT, the international conference on sustainable agriculture, and represents Slovakia on the board of the EU Group of the International Federation of Organic Agriculture Movement (IFOAM).

Slovakia is now home to some 350 organic farmers, meaning the average size of organic farms is relatively large – 434.9 ha. There are also 418 organic agriculture 'operators' (i.e. wild plant collectors, organic seed distributors, producers of organic food etc.).

Strong points of organic farming in Slovakia include its 'legislation, control and certification systems', says Ms Lehocká. 'We have also established paid support for organic agriculture under the Rural Development Programme (RDP).'

However, she points out that there are still a lot of weak areas that need further development, including education and research, adding, 'I have to say that, even if I am working in this area'. The lack of technical advisory services for organic farmers is another issue that needs to be addressed.

Ms Lehocká believes that the most significant challenge to the growth of organic agriculture in Slovakia is the fact that 'processing is not developed and most organic farming primary production is of feed for rearing animals. The biggest crops are still cereals – mostly wheat, rye and oats. Organic vegetable production represents only 1.5% of the total vegetable production of the Slovak Republic. There are only 993 hectares of organic orchards and 50 ha of vineyards, mostly producing white wine.'

The lack of processing facilities, together with the relatively low purchasing power of the Slovak population (particularly outside the capital and larger cities), means that 'the domestic market for organic products is still weak... A lot of production still sells for the same price as conventional agriculture,' notes Ms Lehocká. Where there is added value, it is often not the farmers who benefit. 'It's a sad fact that a lot of salesmen make a very good business from the markup on bio products, but the farmers don't earn so much because there are these salesmen making a profit on it' she says. As an example, she explains that the same organic products can cost three times as much in Bratislava than in small towns in eastern Slovakia.

Despite these challenges, Ms Lehocká believes that people in Slovakia are willing to pay premium prices for organic products, particularly when there are health concerns regarding conventional farming methods, such as dioxins in chicken meat. But, she says, in order to develop organic agriculture, 'we have to improve the finalisation of organic products, support the development of small family farms and further increase consumer awareness about organic products and organic farming in general.'

The role of the EU

Ms Lehocká envisages EU development policy playing an important role in developing organic agriculture in Slovakia. She points to the fact that 50% of the country's agricultural production is in marginal and sub-marginal areas. With protected areas making up some 23% of Slovakia's land cover[1], the plant production expert sees an opportunity to link productive agriculture with environmental protection, in a way that will benefit not only organic farmers and the organic produce industry, but also rural citizens in general. 'What is needed is to provide support for organic processing industries and improve organic crop efficiency while reducing the environmental impact,' she states. 'This requires research into biodiversity preservation, improving soil and water quality and mitigation of climate change.'

The Rural Development Programme can play a significant role in helping to achieve some of those goals, as well as helping with the marketing of organic produce. As an example of what can be done with RDP funding, Ms Lehocká cites a project managed by the Slovak Association for Sustainable Agriculture (SASA) that she was involved with, which ran from 2007-2009 and provided education and information about organic agriculture, including leaflets targeting consumers, technical guides and conferences for farmers and information and

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(1) *Source: Štátna ochrana prírody Slovenskej republiky, 2010*

field days for students. 'It was a lot of work, but it can be done,' she says.

She also points to the positive impact that EU assistance has had on rural communities in Slovakia before and since accession. 'Our village in western Slovakia has quite a high unemployment rate, but thanks to EU assistance, one man that lives nearby was able to establish an organic farm. Initially the farm was just growing crops for animal feed, but with EU assistance the owner was able to turn an old school into an agri-tourism guest house and a small agricultural museum. Now they have horses, a restaurant, organise children's camps - different events for the whole region. The business provides work for several people and with EU support, has energised the whole village. It's very nice to see how it can work' she says.

Good advice

Ms Lehocká believes that the three most important pieces of advice she can offer other rural practitioners are 'be honest - to yourself, your partners, consumers, nature and the organic system as a whole. Secondly, don't be scared to start something new, to follow new trends, adopt new techniques or learn from other farmers. And last but not least, cooperate - cooperation is essential at all levels.'

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"We have to improve the finalisation of organic products, support the development of small family farms and further increase consumer awareness about organic products and organic farming in general"

Zuzana Lehocká

A history of quality wine making in Spain

Oscar Navarro from the Arzuaga-Navarro winery in Spain offers a flavour of wine making and the reasons why Arzuaga wines have the reputation for being high quality wines. The key to success is the adoption of quality approaches at all stages of the wine making process, from the management of the soil to the final sale of the product.

Founded by Don Florentino Arzuaga, the winery 'Bodegas Arzuaga-Navarro' established itself in 1980 by acquiring a small piece of land in the town of Quintanilla de Onesimo, at the heart of Ribera de Duero, one of the most famous wine producing regions in Spain. Wine and vineyards have been an essential part of the cultural and economic development of the Ribera since the 13th century.

'Bodegas Arzuaga-Navarro' marketed its first bottlings internationally in 1993, the year when its leading oenologist, Oscar Navarro Balbás started along what was to become a road to quality wine making. Beginning with a small production that supplied a few restaurants, today the winery is one of the leading Spanish wine makers, with clients including restaurants, hotels, specialised shops and private clients, both in Spain and internationally. Exports to Europe have already been consolidated while the winery is currently targeting emerging markets in Bulgaria and Romania.

Mr Navarro is well versed in the art of wine making and the important challenges facing the wine market today. Confronted with the current economic crisis, which is squeezing prices downwards, he claims 'the only way to preserve the Arzuaga image and remain competitive is to invest in quality'.

A history of quality

The improvement of quality has been at the forefront of the winery's marketing strategy. Quality encompasses the whole production process, from planting the vineyard to wine bottling and marketing, however Mr Navarro, who has been an expert in this field for over 15 years, claims that 'the key to the quality of wine is to obtain superior class grapes'. To achieve this, the Arzuaga winery has introduced new approaches, which reveal that quality can be synonymous with environmental awareness.

The treatment of vineyards with more environmentally friendly fertilisers and

pesticides, in combination with the elimination of any kind of herbicide, benefit both the quality of the grapes and the environment. In addition, the winery uses soil management techniques that contribute to improved grape quality, whilst also increasing the organic material content of the soil. Such techniques involve planting cereal or other herbaceous crops among vineyards thereby avoiding the excessive growth of weeds, as well as maintaining the necessary humidity in the soil. Mr Navarro explains how 'herbaceous crops play a catalytic role in absorbing excess humidity, which would otherwise rot the grapes'.

At the same time herbaceous crops ensure 'a more spongy vegetable tissue that produces the necessary organic material for the soil'. Temperature in the field is also controlled, given the sensitivity of the vineyards to weather changes. All these processes are quite resource intensive and costly, however 'the high quality of grape achieved is worth taking up the extra cost. It secures the transition to the next stage of the process, namely the collection and selection of grapes'.

Traditionally the collection of grapes entailed stacking them into trucks, and transferring them to a vintage table where selection took place mechanically. With this practice, grapes were crushed at the bottom of the truck, while the mechanical selection that followed did not ensure a proper clean-up of the grapes from woody residuals (leaves, branches, etc.). The Arzuaga winery has introduced a new approach where collection takes place manually into 15 kg boxes which are then placed on a truck. This avoids the grapes being compressed and starting to ferment during transportation. The boxes are subsequently uploaded onto a sorting table, where the best grapes are manually selected and cleaned from woody residuals, therefore ensuring that 'only the best grapes are selected for the next stage of fermentation'.

Mr Navarro stresses how 'the use of more costly but superior quality methods are applied to each stage of wine making, as the only guarantee of high quality wines'. He is assertive in claiming that 'it is due to such quality processes that one of the Arzuaga red wines was distinguished in the Vinalies International Wine Competition (organised in Paris every year by the Union of French Oenologists) as the best red wine in the world'.

Preparing for the fermentation stage, the winery's approach is to use several small compression machines instead of one big one. This is again a more costly method for separating the grape from the stem, but ensures the grape reaches the barrel as intact as possible. 'Every single detail of the process matters', says Mr Navarro, and the best proof is that even the distance from one step of the vintage process to the next and the location of the equipment, are carefully designed so as to ensure minimum transportation through pipes or other means that may damage the grapes.

After separation, the grapes are placed in barrels for fermentation. Mr Navarro notes the importance of the type of barrel used for that purpose. 'Not all barrels have the same qualities' he says, only to add that 'French barrels are of superior quality to American ones'. The company currently holds 3 600 barrels, 65% of which are of French origin. Its highest quality wines are those stored in French barrels.

Nonetheless, 'we cannot rest assured of the excellence of our wine until it is finally bottled'. A critical factor for maintaining the best conditions for the wine to ripen further, once it is bottled is the quality of the cork. To ensure this, 'we obtain certificates on the treatments and potential diseases of the tree the cork originated from, as well as carrying out an independent physical-chemical analysis, to ensure there is no substance absorbed by the cork that can in any way influence the quality of the wine'.

But it is at the final stage of wine production, namely that of marketing, where quality approaches culminate in a combination of art and design that are uniquely intertwined for the Arzuaga wines. Labels are designed by a member of the Arzuaga family, a renowned fashion designer. Always exhibiting fine design qualities but also in accordance with reminiscent traditional images, 'the Arzuaga wine labels constitute a landmark in the history of wine making in Spain'. Breaking with this tradition and inspired by innovative marketing approaches, the latest label depicts a model in dark clothes that seems to be flying in slow motion just like a drop of red wine that is about to be poured in the finest glass.

> **The use of more costly but superior quality methods, are applied to each stage of wine making as the only guarantee for high quality wines**
>
> Oscar Navarro Balbás

Core Organic: supporting transnational research in organic food and farming

The organic food and farming sector has grown rapidly over the last decade. The main objective of the CORE ORGANIC initiative was to improve coordination and collaboration of research activities on organic food and farming in the partner countries.

Organic farming addresses many of the challenges and objectives of European agricultural policy. The key ones refer to sustainable production of high quality food and food safety, reducing environmental pressures, improving resource efficiency and supporting nature and ecosystem functions. Organic farming also plays an important role in climate change adaptation and animal welfare. All those elements further contribute to rural economic activity and rural vitality.

Given the rapid growth of the organic market in Europe, it is paramount that the sector is supported by high quality, coordinated research. This should provide adequate new technologies and innovation which will allow for increased product diversification and enhanced quality. Adaptations to the relevant EU-wide legislation, as well as innovative marketing and promotional strategies will help improve further expansion of the organic market.

Following the European Organic Action Plan 2004, organic research has been on the political agenda as one of the explicitly mentioned actions. A technology platform 'TP Organics' was created to foster research in the organic sector. TP Organics published a strategic research agenda in December 2009, which sets the frame for the medium term, and finalised the implementation action plan in December 2010, addressing how to approach, carry out and follow up the research proposed for the best possible effect.

CORE ORGANIC (Coordination of European Transnational Research in Organic Food and Farming) was formerly a European partnership, which supported and coordinated transnational research into organic food and farming. The partnership was a three-year Coordination Action under the European Commission's 6th Framework ERA-NET Scheme, and comprised 13 public funding bodies from 11 countries (Austria, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Sweden, Switzerland and the UK). The partnership was coordinated by the International Centre for Research in Organic Food Systems (ICROFS) in Denmark, was initiated in 2004 and completed in 2008.

The main objective of the CORE ORGANIC initiative was to improve coordination and collaboration of research activities on organic food and farming in the partner countries. The initiative set out to collate a critical mass of information and material, and establish a joint research programme.

One of the main activities of CORE ORGANIC was to establish a foundation for research coordination and collaboration in Europe. A comprehensive, open access library, Organic Eprints **www.orgprints.org**, was developed to provide an easy and structured point of information. At the same time, a common portal **www.coreportal.org** collated information on organic food and farming research programmes, projects and facilities in the 11 partner countries. Both tools, along with other project dissemination outputs (websites, newsletters and events) played a key role in facilitating an exchange of best practice in organic research and farming, as well as the common use of research facilities. This facilitated greater efficiency and less fragmentation in European research activities.

The initiative has also focused on sharing and developing 'best practice' for evaluation of organic research. This has been achieved through the screening of evaluation methods and criteria, the reporting and monitoring of practices in

> **"A noticeable share of consumers are willing to pay higher prices for organic food, which is produced in accordance with higher 'ethical' standards – given that the specific qualities of the food are properly communicated"**
>
> Katrin Zander and Ulrich Hamm,
> Faculty of Organic Agricultural Sciences, University of Kassel, Germany

the partner countries, and establishing a common benchmark for the evaluation of proposals for the 1st CORE Organic call. It was the first time that a list of assessors and high level experts was also established.

The last activity of CORE ORGANIC was to identify future research priorities, which could then be conducted with the help of funding procedures and programmes. Out of seven high-priority research topics, three were agreed for the first pilot call, launched in 2007.

These consisted of:
- Animal disease and parasite management, including preventive and health improvement therapies to reduce reliance on antibiotics;
- Quality of organic food – health and safety;
- Innovative marketing strategies, identification of successful marketing methods and local markets.

The first pilot call resulted in eight transnational research projects, with a total value of €8.3 million. The following projects were selected and ran for three years:
- AGTEC-Org: Methods to improve quality in organic wheat;
- ANIPLAN: Planning for better animal health and welfare;
- COREPIG: A tool to prevent diseases and parasites in organic pig herds;
- FCP: How to communicate ethical values;
- iPOPY: Innovative public organic food procurement for youth;
- PathORGANIC: Assessing and Reducing Risks of Pathogen Contamination in Organic Vegetables;
- PHYTOMILK: What makes organic milk healthy?;
- QACCP: How to assure safety, health and sensory qualities of organic products.

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Following the completion of CORE ORGANIC ERA-NET in 2007, the partners expanded their network and successfully developed a second ERA-NET initiative, CORE ORGANIC II. CORE ORGANIC II is a three-year collaboration between 27 partners in 22 countries, which commenced in March 2010. The initiative builds on the outcomes of the first CORE ORGANIC project by promoting effective and sustainable transnational research. As in the case of the previous initiative, the aim is to identify common research priorities for the organic sector where a transnational approach will give added value, launch at least two transnational calls for research projects, and consider sustainable funding models for transnational research, which can help maintain and continue the benefits of the initiative beyond the ERA NET.

The expected results of CORE Organic II include a strong and sustainable network of funding bodies, all components for the effective continuation of collaboration, a series of on-going research projects and a plan to support dissemination.

CORE ORGANIC and CORE ORGANIC II reinforce Europe's leading status and excellence in organic research, enhancing the European research area on organic farming, increased efficiency and complementarity of organic research initiatives and improvement of the impact of research on the development of Europe's organic sector. Setting out common priorities for research topics enables the European sector to be better prepared for the evolving organic food market, and to better meet consumer demand and policy pressures. This will have a major positive impact on sustainable development in food production and overall competitiveness of European agriculture.

For further information, visit **www.coreorganic.org** and **www.coreorganic2.org**

CERTCOST: exploring ways to improve the European organic certification system

With an increasing market for organic production, CERTCOST analyses how the confusion and additional costs related to the organic sector occur and how these can be avoided by both consumers and producers.

CERTCOST is a European research project supported by the European Commission under the 7th Framework Programme. The three-year project runs from September 2008 to August 2011, and aims to undertake an economic analysis of certification systems for organic food and farming. Ten institutions – eight from research and two from the certification sector - from seven countries participate in the project. The countries are Germany, Italy, Turkey, Switzerland, Denmark, the Czech Republic and the United Kingdom.

The underlying impetus for CERTCOST is the growing need to strengthen competitiveness of the European organic food

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sector, by means of reducing incidences of non-compliance, and hence increasing consumer trust. However, there are a variety of challenges faced by the organic sector in terms of certification systems. For example, there is a range of competing labels and logos, which involve not only different private and public standards, but also a tranche of European law to interpret and understand. This diversity reflects the specific conditions for organic operators in countries, or regions, which can also lead to confusion for both consumers and producers, and ultimately create a variety of costs.

The main project objective is to generate recommendations based upon research knowledge of how to improve the organic food certification system in terms of efficiency, transparency and cost effectiveness. In particular, the CERTCOST project examines a variety of existing certification systems and their impact on the internal market for organic goods. By combining the experience and knowledge of both researchers and small and medium sized enterprises (SMEs), the project seeks to fulfil the following objectives:

- To provide baseline information on the organic certification systems;
- To analyse the implementation of organic certification systems and to assess all relevant expenditure and transaction costs;
- To investigate the main benefits of certification systems for consumers;
- To develop and apply economic models, which improve risk-based certification systems and allow costs of certification systems to be related to the benefits gained;
- To develop recommendations from the research on different groups of stakeholders;
- To include stakeholders' views into the project work and to share the project results with them and the public.

Achievements and activities to date

CERTCOST has entered into its third and final year. Although the bulk of results will become visible to stakeholders after completion of the project, numerous activities have already brought about substantive achievements.

The project has developed a database (**www.organicrules.org**) containing information on all actors in the organic certification chain in 19 EU and associated countries. The database provides the number and names of authorities and private bodies involved, and the organic logos in each country, with the objective of creating a user-friendly public

> **"Our aim is to find ways to improve the European certification system by developing a better understanding of it, e.g. through research into how customers value it"**
>
> Dr Stephan Dabbert,
> Project Co-Ordinator and Professor at the University of Hohenheim

database and providing easy access to information on actors involved in European standard-setting and certification; hence improving transparency of the European certification system.

Moreover, by March 2010 CERTCOST had also published three public reports on different areas of the project, namely the first stakeholder meeting held in November 2008, Economic Concepts of Organic Certification (2009), and the European Regulatory Framework and its Implementation in Influencing Organic Inspection and Certification Systems in the EU (2010). Key stakeholders in the preparation of these reports included representatives from farmers' organisations, certification/control bodies, government authorities, EU Commission, processors/traders and private experts, all of whom have participated in a constructive dialogue since the start of CERTCOST.

The reports analyse and present the economic rationale for certification and the most important European and international legislation, which set the framework for organic certification respectively. Based on a summary of existing literature, a theoretical framework of organic certification has been developed and relevant transaction costs linked to the production and commerce of organic food products have been classified.

CERTCOST research indicates that the organic control system could be improved by focusing more on the need to further harmonise the surveillance of control bodies' enforcement of regulation, and on how operators' responsibility to further develop organic systems, can be supported in the control and certification system.

The project has also been visible at fairs, seminars and collaboration on other events. In September 2011 further results from CERTCOST will be presented during a two-day stakeholder workshop at the ISOFAR-IFOAM (International Society of Organic Agriculture Research-International Federation of Organic Agriculture Movements) Organic World Congress in Korea.

For further information, visit
www.certcost.org

Views on quality products in agriculture

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Consumer demand for agricultural quality products is growing, but producers need to understand the complexities of consumer attitudes and the need to provide clear information.

When it comes to what they put on their plates, an increasing number of consumers have clear notions of both what is good for them and what is good for the environment. Consumer attitude studies reveal a preference for food that is healthy, safe and sustainably produced.

These factors can outweigh price when consumers buy food. Petri Koskela, who is responsible for food quality issues in the Ministry of Agriculture in Finland, says that Finnish consumers prioritise the taste of food and its healthiness over its cost. 'Consumers are more and more concerned about quality and they want more quality products,' he says.

Demand for quality assurance is a response to the complexity of food production. Long supply chains now separate the production and consumption of foodstuffs. Sometimes, food and feed is transported between several different countries before a final product reaches the supermarket shelves. The steps in between – what actually goes on in the processing plants – can be difficult to know. Consumers however want to know how they can trust the final product, if they do not have a clear idea of where it comes from.

The question of trust becomes paramount when food supply chains break down, as seen recently in Germany where animal feed was contaminated with dioxins from biodiesel production, prompting worries about the safety of eggs and meat. Food scares damage consumer confidence and rural economies, and shine a spotlight on unsavoury aspects of food production.

Consumer concerns

Consumers reveal wide-ranging concerns when asked about their food worries. Health concerns tend to dominate, especially for particular foods over which there have been scares in the past. Mr Koskela says that for beef, for example, 34% of Finnish consumers cite health as their primary consideration, with price a lesser concern, though price predominates for some other products.

A regular survey carried out by the United Kingdom Food Standards Agency (FSA) also shows the importance consumers place on health and safety issues, something producers must respond to. Around two thirds of British consumers are actively concerned about food safety, with the most frequently cited worries being food poisoning, the amount of salt, sugar and fat in food, and the use of additives.

But consumers also want assurance on ethical and environmental issues. In the FSA survey[1], animal welfare ranks alongside food prices as a key concern. Not far behind are worries about food waste, use of pesticides, the feed given to livestock and the miles clocked up when food is transported. In Finland, Mr Koskela says that food safety and animal welfare tend to be the second and third most important factors for consumers, after health. Other factors prioritised by Finnish producers and suppliers as concerning 'quality' in food are local production, respect for the environment, and production in accordance with workers' rights.

Purchasing choices

When facing the difficult task of buying food which meets these criteria, consumers have three main choices: they can trust a brand, trust in a concept such as 'organic' food, or trust a specific quality assurance label.

Labelling schemes are favoured by producers because they enable them to 'prove' the quality of their products. EU labelling systems are well developed, with labels such as Protected Designation of Origin (PDO), Protected Geographical Indication (PGI), Traditional Specialities Guaranteed (TSG), and the new EU organic logo sitting alongside numerous national, sector or producer schemes.

However, producers need to be careful that labelling schemes do not become too complex. Mr Koskela says that, in

(1) FSA Quarterly Public Attitudes Tracker, December 2009

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Finland at least, trust in brands is currently more important for communicating food quality. 'Finnish consumers understand EU product labels, but they are relatively new and we have our own labels in Finland. There are so many labels and not all consumers understand them all,' he says.

The Brussels-based European Consumers' Organisation (BEUC – Bureau Européen des Unions de Consommateurs) believes that label overload causes problems. A BEUC spokeswoman says that 'European consumers are increasingly concerned about quality, animal welfare, and environmental and social factors, but they are not always able to find this information on products. There is a proliferation of quality labels, but these are not always verified. In most cases, [labelling] does not help consumers and BEUC is sceptical of whether or not quality labels are always justified'.

BEUC is also suspicious that some producers might be misusing labels. 'The strategies of distributors are sometimes bizarre because they will charge more for products just to make people believe that the product is of better quality,' the BEUC spokeswoman says.

Dr Susanne Padel, principal socio-economic researcher at the Organic Research Centre in the UK, says that more research is needed into consumer understanding of labels. There is evidence that 8% of population recognises PDG/PGI scheme, and that percentage matches the current market share of those products. The food industry 'cannot be sure that these labels are widely understood,' she says. 'They are not as widely accepted among consumers as they are thought to be from the producer end'.

Trusting organic farming

It seems to be easier for consumers to have confidence in broader concepts of food production than to understand a large number of specific labels. This trend is most evident with organic food.

Antje Koelling, policy coordinator in the Brussels office of the International Federation of Organic Agriculture Movements EU Group says that organic food is 'about system thinking'. Consumers have different concerns in mind when they choose to buy organic, but they select organic food because they believe, in general, it offers a higher level of quality than non-organic food. 'For example, if they are concerned with animal welfare, they will use the organic logo as a short cut to that,' Ms Koelling says.

Overall, she says, organic farming is winning the argument in consumer hearts and minds. It is 'not a big push anymore' to convince people about the need for more sustainable food production. There is a tendency for consumers to move towards food that is demonstrably healthier and less environmentally damaging. 'I don't expect big leaps any more, but gradual development in the acceptance of organic food,' Ms Koelling says. She adds that although quality labels can be confusing, overall they 'can really help,' because over time they encourage consumers to become more discerning about food.

Unpredictable behaviour

However, despite increasing demand for food quality, it can be hard to predict consumer behaviour. Experts agree that consumers do not always do what they say.

With organic food, for example, consumers 'express a preference [in surveys], and then don't act on it,' Dr Padel says. In Finland, Mr Koskela notes that consumers 'always say that they are concerned about safety and animal welfare and may be inclined to buy organic products, but you see that when they leave the shops they haven't bought the organic product'.

Consumer preference for quality varies from product to product, and from country to country. Consumers often say they prefer local products, or may be more inclined to buy organic or quality-labelled products for foods that have been involved in safety scares, such as eggs or meat. Other consumers will buy organic food if it is easily obtainable, but will 'default to non-organic for convenience,' Dr Padel says.

Research into consumer preferences for quality food is developed in terms of the purchasing of organic food. Research by Dr Padel and colleagues shows that the biggest organic markets in Europe are in the biggest countries: Germany, the UK, France and Italy, with Germany notably predominant. However, the biggest per head spend on organic produce is in Denmark, Austria, Switzerland and Sweden. In most EU countries, the market share of organic food ranges from 2% to 5%.

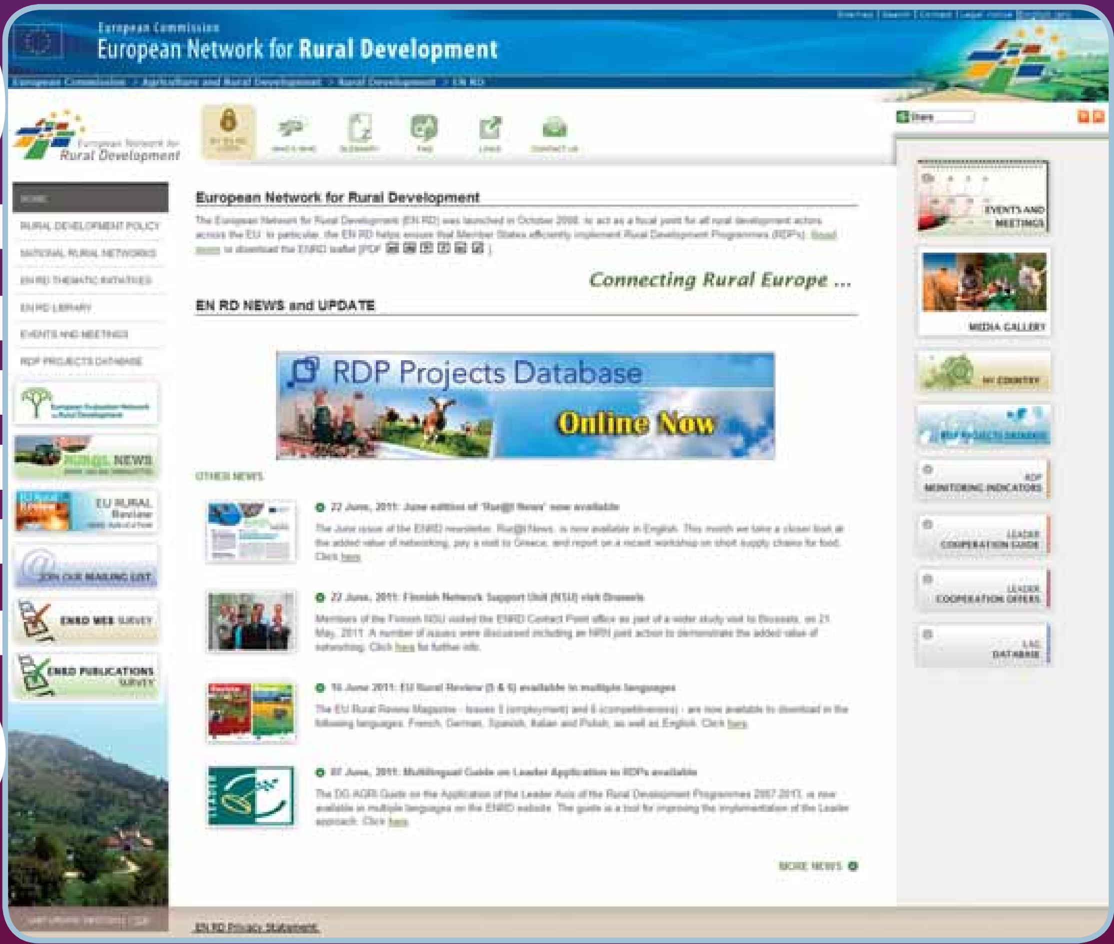
One restriction on the development of markets for quality foods is that there seems to be a limit on how much extra, consumers will pay for a high quality version of a particular food compared to standard quality. Dr Padel says the premium 'varies from product to product but it seems to be around 20%; after 20% willingness drops away'.

Nevertheless, the willingness to pay a little more seems to be spreading to a wider pool of consumers. There may be some false starts and backwards steps, but consumer demand for quality food continues to be a major factor in the reorientation of European agriculture.

Useful links

- Ministry of Agriculture and Forestry, Finland **http://www.mmm.fi/en/index/frontpage.html**
- United Kingdom Food Standards Agency - **http://www.food.gov.uk**
- European Consumers' Organisation - **http://www.beuc.eu**
- International Federation of Organic Agriculture Movements EU Group - **http://www.ifoam-eu.org**

online



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