Organic Farming Development and Agricultural Institutions in Europe: A Study of Six Countries

Organic Farming in Europe:
Economics and Policy
Volume 9

Johannes Michelsen
Kennet Lynggaard
Susanne Padel
Carolyn Foster

The individual contributions in this publication remain the responsibility of the authors.

Organic Farming Development and Agricultural Institutions in Europe: A Study of Six Countries. / Johannes Michelsen, Kennet Lynggaard, Susanne Padel and Carolyn Foster.
Stuttgart-Hohenheim: 2001
(Organic Farming in Europe: Economics and Policy; 9)
ISBN 3-933403-08-1
ISSN 1437-6512

Edited by: Prof Dr Stephan Dabbert
Department of Farm Economics, University of Hohenheim, Germany
Dr Nicolas Lampkin
Welsh Institute of Rural Studies, University of Wales, Aberystwyth, United Kingdom
Dr Johannes Michelsen
Department of Political Science and Public Management, University of Southern Denmark, Esbjerg, Denmark
Dr Hiltrud Nieberg
Institute of Farm Economics and Rural Studies, Federal Agricultural Research Centre, Braunschweig (FAL), Germany
Prof Dr Raffaele Zanoli
Dipartimento di Biotecnologie Agrarie ed Ambientali, University of Ancona, Italy

Technical editor: Anna Häring

Published by: Prof Dr Stephan Dabbert
University of Hohenheim
Department of Farm Economics 410A
D-70593 Stuttgart
Germany
Tel: +49 (0)711 459-2541
Fax: +49 (0)711 459-2555
E-mail: ofeurope@uni-hohenheim.de
http://www.uni-hohenheim.de/~i410a/ofeurope/

Cover design and layout by walter+von schickh, Ettlingen, Germany
Printed and bound in Germany by Hago Druck & Medien, Karlsbad-Ittersbach

Acknowledgement

The work underlying this publication has been carried out with financial support from the Commission of the European Communities, Agriculture and Fisheries (FAIR) specific RTD programme, project FAIR3-CT96-1794, "Effects of the CAP-reform and possible further developments on organic farming in the EU". Part of the work underlying the publication was financed by the Danish public research programme on organic farming, DARCOF, as part of the project "Social and environmental consequences of different strategies for the development and spread of organic farming systems". The authors are grateful for this support. This publication does not necessarily reflect the European Commission's views and in no way anticipates the Commission's future policy in this area. Its content is the sole responsibility of the authors. The information contained herein, including any expression of opinion and any projection or forecast, has been obtained from or is based upon sources believed by the authors to be reliable but is not guaranteed as to accuracy or completeness. The information is supplied without obligation and on the understanding that any person who acts upon it or otherwise changes his/her position in reliance thereon does so entirely at his/her own risk.

The authors wish to express their gratitude to partners and interviewees in the six countries studied for their contributions without which the publication could not have been produced.

Johannes Michelsen, Senior Lecturer PhD, Dept. of Political Science and Public Management, University of Southern Denmark – Esbjerg, Niels Bohrs Vej 9-10, DK 6700 Esbjerg. e-mail: *jm@sam.sdu.dk*. Tel: +45 6550 4161. Fax: +45 6550 1091.

Kennet Lynggaard, PhD student, Dept. of Political Science and Public Management, University of Southern Denmark – Esbjerg, Niels Bohrs Vej 9-10, DK 6700 Esbjerg. e-mail: *ksl@sam.sdu.dk* . Tel: +45 6550 4136. Fax: +45 6550 1091.

Susanne Padel, IRS Organic Farming Unit, University of Wales, Aberystwyth, LLanbardarn Campus, Ceredigion SY23 3 AL, Great Britain: Tel: +44 1970 622953. Fax: +44 1970 622238, *http://www.wirs.aber.ac.uk/research/organic.shtml.*

Carolyn Foster, IRS Organic Farming Unit, University of Wales, Aberystwyth, LLanbardarn Campus, Ceredigion SY23 3 AL, Great Britain. Tel: +44 1970 622953. Fax: +44 1970 622238.

Executive summary

The aims of this report are to describe the development of organic farming in six different national contexts and compare them in order to indicate a basis for political action under varying circumstances. The background for doing these studies is that organic farming has been diffused to a very different extent in the 15 member states in spite of a common EU regulation. As the EU regulation is implemented differently in each member state, the diffusion of organic farming may depend on a complex series of factors in the national institutional environment of agriculture in general and specifically in organic farming.

The institutional approach

The institutional approach applied here implies that organic farming is seen as a social movement, initiated by persons and organisations, which are not part of the mainstream agriculture segment. Organic farming is furthermore based on an open criticism of mainstream agricultural practices. Four domains of society constitute the institutional environment. Three domains involve a direct contact between farmers and farming organisations: the farming community, agriculture policy and the food market. The fourth domain is the institutional setting constituted by the institutions of the three other domains and includes attempts to combine and coordinate the efforts of organisations across the domains.

Organic farming is a small segment of agriculture in all countries but has nonetheless developed organisations within all four domains. In order to grow within agriculture, organic farming must establish interrelationships with general agriculture institutions. These interrelationships may take three different forms. One form is *pure co-operation* where co-operation is so comprehensive and encompassing that any conflict regarding the distinctiveness of organic farming is avoided and deliberately toned down or even silenced out. The opposite form of interrelationship is *pure competition* characterised by no or only occasional direct contact between organic farming institutions and those of general agriculture because they see each other as competitors or opponents. In between these two extreme types of interrelationships is a third type, labelled *creative conflict*. Here, organic farming and general agriculture organisations are in continuous contact while cooperating on some issues and competing on others. Hence, creative conflict may involve a climate of both competition and mutual respect under a joint perception of some – but not all – common interests, for instance regarding the development of agriculture in an environmentally friendly and economically sound way.

The growth of organic farming implies in itself a change of its very weak position within general agriculture institutions. Thus, the main issue of the in-depth studies is to find out what changes in the institutional environment of agriculture have taken place and what kind of impact – if any – they have had on organic farming growth.

Six country studies

The six countries selected for in-depth study represent the largest variation possible among European countries regarding the size and development of the organic farming sector and regarding the prevailing political and institutional conditions. The six countries comprise: Austria, Belgium, Denmark, the United Kingdom, Greece and Italy. Austria has the largest and one of the oldest organic farming sectors, while Greece has the smallest and youngest organic farming sector. For each country all material available was summarised and synthesised. Syntheses included suggestions for interpretations of the national development of organic farming and suggestions for further studies, mainly through interviews with key national actors. Local informants, together with the authors of the report, conducted the interviews, these forming the basis of separate country chapters describing institutional development in a national context. These chapters served as the basis for comparative analyses and for developing policy proposals that promote organic farming growth. It should be emphasised that the analyses are of a qualitative nature and are – to a major extent – based on the perceptions of organic farming development as expressed by key actors in each country. Thus, the in-depth studies do not claim to represent a full explanation of organic sector growth in any of the countries studied, or in the EU as a whole.

Austria

Austria is the main success story of European organic farming in terms of the size of the organic farming sector (including about 10 per cent of all farmers) and in terms of positive policy support. However, the positive development stopped in the late 1990s. In the institutional analysis it appears that, up until the end of the 1980s, organic farming lived a quiet life. Organic farming was recognised formally in Austrian law, but general agriculture institutions either ignored or in some instances opposed organic farming. The situation was characterised by a *low level of conflict*. This situation changed because a minister promoted conversion to organic farming as a general strategy for the survival of Austrian agriculture. The implementation of the strategy was left to existing mainstream agriculture institutions while organic farming organisations appeared unable to establish a joint platform for maintaining their distinct organic farming interests. Hence the institutional interrelationship between organic farming and general agriculture is best understood as developing from a low level of conflict to a situation characterised as *pure co-operation* and near-by silence about differences in farming systems. The implementation of the national strategy was followed by strong growth in the number of

Austrian organic farms. The growth implied that attempts by general agriculture institutions to silence out organic farming as part of a *pure co-operation* interrelationship, could not be maintained. Thus, organisational changes in support of organic farming distinctiveness took place in all four domains of the institutional environment around 1993. However, these changes were not followed by organic farming growth. The main explanation for this is that the national initiatives were offset because Austrian farmers found other forms of EU agri-environmental support more attractive than those promoting organic farming when Austria joined the EU in 1995. The institutional changes imply a change in the institutional interrelationship away from pure co-operation in the direction of creative conflict between organic farming and general agriculture institutions. In this climate organic farming has neither decreased nor increased substantially.

Belgium

Belgium represents one among many EU countries with a small organic farming sector. The organic farming sector experienced a short period of decline around 1993 with growth in response to the EU introduction of support for organic farming coming rather late. Furthermore, Belgium has a complex administrative structure involving both federal and regional agencies in the administration of organic farming. There is a clear regional dimension in Belgian organic farming where growth up to now has primarily been associated with the more extensive type of farming of Wallonia while only few organic farms are found among the strongly intensive farms of Flanders. The interrelationship between organic farming and general agriculture institutions is characterised by *pure competition*. A rather strong and encompassing structure of organic farming organisations has developed in both regions – mainly within the farming community and agriculture policy. On federal level, a strong organisation, Biogarantie, was even established in 1987 to coordinate action across regions and all institutional domains. However, no collaborative contact has been established between organic farming institutions and the institutions of mainstream agriculture during the three institutional changes that took place between 1985 and 1999. Only few signs of collaboration between the two have been visible after the implementation of organic farming support, which mainly consists of support for farmers and experimental farms.

Denmark

Denmark is a success story in terms of a large organic farming sector and in terms of recent and high dynamics of growth. Furthermore, Denmark was the first country to introduce national support for organic farming, in 1987. The Danish experience includes periods of stagnation – and of overcoming stagnation. The Danish development is characterised by a series of *creative conflicts* developing between the organic farming sector and general agriculture institutions. It seems paramount to the development of *creative conflict* that organic farming, from the outset, gained political support for reasons of manifest consumer demand. This approach paved the way for collaboration on relatively equal and non-hostile terms with general agriculture institutions. Furthermore, Danish organic farmers have been able to organise along two distinct but coordinated routes – one as the carrier of "organic ideology" in political negotiations, and another as the more pragmatic carrier of specific farmers' interests in collaboration with general farmers' unions and cooperatives.

The positive interrelationship with general agriculture institutions is emphasised in the rather strong Organic Farming Council. It is an advisory board of the Minister of Food that combines organic and general farming interests with many private and public interests and has developed into a policy community in support of organic farming. Creative conflicts are found in all domains. They involve conflict, which may involve rather harsh confrontations of opposing interests, but they usually end up being solved by the opponents themselves, perhaps helped by other actors, such as political agencies. On two critical occasions the Ministry of Food has formulated and implemented strategic action plans for organic farming development. Three major institutional changes are detected in Denmark and they all involve some interrelationships between organic and general farming institutions and across the four domains of the farming community, agriculture policy, the food market and the institutional setting. On this basis both organic and general farming institutions have gradually adapted to a situation where the two types of farming co-exist in a dynamic interplay.

Greece

Greece represents a new organic farming sector that has experienced very high growth rates. Its establishment was triggered by the introduction of EU support in the middle of the 1990s, as it represented a promise of support in a situation of crisis for Greek agriculture in general. The interrelationship between organic farming and general agriculture institutions is based on *pure co-operation* characterised by silence regarding the differences in organic and mainstream farming systems. This interrelationship implies very weak organic farming organisations, leaving public agencies as the main organisations to promote organic farming along with the two main private certification bodies which were established as a consequence of the EU regulation. The implementation of the EU regulation is the only major change in the institutional environment for organic farming in Greece and it does not involve coordinated activity in the food market. An institutional setting in support of organic farming is also lacking.

Italy

Italy is characterised by a large organic farming sector and a seemingly endless and high growth rate of organic farming. The growth rate was high before the introduction of EU regulations but it increased even further afterwards. The in-depth study includes two very different regions: Marche in central Italy, and Sicily in southern Italy, to help reflect the very uneven patterns of development in organic farming across the different regions in Italy. In Marche and other central/northern regions, the organic farming sector began to grow quite early as part of a regional social movement of rural development, but recently the growth rate has declined. In Sicily and other southern regions/islands, organic farming began to develop in direct response to agricultural decline and the new opportunities for obtaining EU support. Institutional interrelationships differ in a similar way, as Marche is characterised by *pure competition* between organic and general agriculture organisations while Sicily is characterised by *pure co-operation*.

In general, the impressive growth of the Italian organic farming seems based on a sequence of different regional growth patterns. In the north and central parts organic farming developed early on as part of a broad socio-cultural development in some opposition to the general development of society. In the southern regions and the islands, EU support triggered organic farming growth to replace the decrease in support resulting from the EU CAP reform, which had a stronger impact on farmers' incomes in southern than was the case in central and northern regions. In the early days a major part of Italian organic food production was exported to northern Europe, but recently it seems that a fast growing domestic market is emerging in the northern regions of Italy.

United Kingdom

The UK is another example of a country with a small organic farming sector, which – until recently – has experienced some stagnation in organic farming growth. However, when compared to Belgium, the UK, rather early on, developed a degree of political support for organic farming regarding measures other than financial support to farmers. When financial support was eventually introduced, the payments were quite low. The institutional interrelationships between organic farming and general agriculture institutions is characterised by *pure competition* because farmers' unions have been quite negative towards organic farming, because: i) organic farming is not integrated into general agriculture administration, ii) there are only weak interrelationships between organic farmers' trading companies and the main sales channel (the supermarket chains) and iii) an institutional setting is lacking. Two main institutional changes are identified. The first one took place around 1987 and involved some political recognition of organic farming, but the scope was quite limited and in following years the organic growth rate was small. The second institutional change was a political reaction against the relatively small uptake of organic farming support released by the implementation of EU support a few years earlier, this also having made some impact in other domains. It even seems to be a starting point towards changing institutional interrelationships in the direction of creative conflict. Recently, British organic farming has experienced strong growth, which seems to realise the inherent potential of the institutional change. Another important explanation is the recent improvement of the economic position of organic farming relative to mainstream farming. It is caused by the financial support and – not least

– by a tendency towards decoupling prices on organic products from the trend of decreasing prices for other food products.

A path for successful organic farming growth

Against the background of the country studies, a path of six steps leading to successful organic farming growth is detected. The first step in the path involves the establishment of an organic farming community by means of a formal framework for organic farming including a definition and some kind of certification – as part of a social movement. The second step involves a political recognition of organic farming standards and certification as a basis for diffusing products and for recruiting farmers. The third step includes the introduction of financial support to organic farmers – the importance of this step should not be overestimated, as other studies suggest that the direct impact on farmers' propensities to convert is only short term. These three steps are found in all six countries and are already included in the EU regulation. However, three additional steps seem important for successful organic farming growth.

The fourth step is about the positive involvement of general farmers' organisations in organic farming growth in order to obtain a fertile basis for recruitment of farmers to convert to organic farming. Step five involves the development of proper organic food markets governed by market mechanisms. Together these five steps constitute organic farming presence in all agriculture domains. However, it appears from the in-depth studies that some coordination between the farming community, agriculture policy and the food market is necessary – and hence the sixth step involves the establishment of an institutional setting devoted to the task of promoting organic farming. It must be able to perform coordinating tasks, which may involve suggestions for strategic planning and implementation of action plans. The sixth step in the development path should not, however, be seen as the final step in a process. Rather, it represents a point from where it is possible to reconsider and eventually improve the conditions resulting from the initial round of six steps – and here the same development path may be used again to secure that all domains are involved in establishing positive dynamic conditions for organic farming development.

Policy instruments in support of organic farming

Against the background of the path for successful organic farming growth, the report is concluded by indicating some policy instruments that may support the development of a process of mutual adjustment by self-regulation. Policy measures should support

- the *establishment* of an organic farming sector through the separation of certification issues and issues of lobbying for specific interests related to organic farming

- the *political recognition* of organic farming through recognising production standards and adapting common international standards to reflect specific national conditions
- the introduction of *financial support* through support for farmers
- the development of *non-competitive interrelationships* (i.e. based on co-operation or creative conflict) between organic farming and the general farming community through the establishment of one or more fora to put representation of organic farming on a par with general agriculture organisations
- to develop an organic food *market* through developing marketing strategies and reliable statistics
- to establish an attentive and committed *institutional setting* capable of coping with co-operation across domains on a recurrent basis through establishing an advisory board based on a common understanding of organic farming.

Table of contents

List of abbreviations

IFOAM	International Federation of Organic Agriculture Movements

Austria

AMA	Austrian agricultural market
ARGE	Union of promotion of biological agriculture
BAF	Association of biologically financial farms
BML	Federal Ministry of Agriculture and Forestry
BOKU	University of Agriculture
CODE	Codex Alimentarius Austraicus
FBL	Initiative of research of biological agriculture
KOPR	Union of consumers/producers
ÖIG	Austrian community of interests of biological agriculture
ÖPUL	Austrian programme of promotion of environmental agriculture
ORBI	Association of a sound peasant culture
ÖVP	National party of Austria
SPÖ	Social democratic party of Austria

Gelöscht: AMA

Belgium

Belbior	Organic farmers' union in Flanders
BioConsult	Private extension service in Flanders
Bioforum	Organic umbrella organisation
Biogarantie	Organic umbrella organisation and trademark
BLIK	Flemish inspection and certification body
BLIVO	Flemish extension service
Boerenbond	Farmers' union in Flanders
CARAB	Wallonian extension service
CVP	Social Christian Party
ECOCERT	Private certification and inspection body located in Wallonia

PCBT	Organic experimentation station in Flanders
SP	Socialist Party
Test-achat	Consumers' organisation
UNAB	Organic farmers' union in Wallonia

Denmark

ACD	Agriculture Council of Denmark
AP I	Action Plan I – Action Plan for the advancement of the organic food production (1995)
AP II	Action Plan II – Action Plan – ecology in development (1999)
BKU	Trade Co-ordination Committee
CCOBA	Co-operations Committee for Organic and Biodynamic Agriculture
DDB	Danish Dairy Board
DFF	Danish Family Farmers' Association
DFU	Danish Farmers' Union
FDB	Co-op Denmark
LOJ	Danish Association for Organic Farming
OBM	Association of Organic and Biodynamic Milk producers
OFC	Organic Food Council
OLC	Organic Service Centre
RV	Social Liberals
SD	Social Democrats
SF	Socialist Peoples Party

Greece

DIO	Inspection and certification organisation for organic agriculture
SOYE	Ecological Farming Association of Greece
EBE	Union of Organic Farmers of Greece
PASEGES	Panhellenic Confederation of Farmers' Co-operatives of Greece
MAICH	Mediterranean Agronomic Institute in Cha
OOP	Office of Organic Products

Gelöscht: Ecological F
Association of Greece (S
Ikologikis Georgias Ell

Italy

AAB	Biological cultural organisation
AgriEcoBio	Certification body based in Piedmont
AIAB	Organic producer association
AMAB	Organic producer association
ASCI	Small-scale subsistence farmers
ASS	Organic cultural association
Bioagricoop	Cooperative grouping organic technical advisers
Bioqualità	Inspection service for IMC and CCPB
BIOS	Certification body
CCPB	Organic cooperative
CIA	National farmers' union
COOP	One of the largest food retailers
CSAB	Sicilian coordination of ecological agriculture
Ecocert Italy	Inspection and certification body
ECOR	Largest organic wholesaler
FIAO	Italian Federation of Organic Agriculture
IMC	Inspection and certification body
IUCN	International Union for the Conservation of Nature
PCI	Communist Party – now split in DS, PRC and PdCI
QC&I Italy	Inspection and certification body

Gelöscht: AAB

United Kingdom

ADAS	Consulting
BDAA	Bio-dynamic Agricultural Association
BOF/OGA	British Organic Farmers/Organic Growers Association
CLA	Country Landowners Association
DANI	Department of Agriculture, Northern Ireland
EF	Elm Farm Research Centre
GMO	Genetically Modified Organisms
HDRA	Henry Doubleday Research Association
HOL	House of Lords
IOFGA	Irish Organic Farmers and Growers Association

MAFF	Ministry of Agriculture, Fisheries and Food
NFU	National Farmers Union
OAS	Organic Advisory Service
OCIS	Organic Conversion Information Service
OF&G	Organic Farmers and Growers Ltd
OFF	Organic Food Federation
OFS	Organic Farming Scheme
OLMC	Organic Livestock Marketing Co-operative
OMSCo	Organic Milk Suppliers Co-operative
SA	Soil Association
SAC	Scottish Agricultural College
SACert	SA Certification Limited
SOAEFD	Scottish Office Agriculture, Environment and Fisheries Department
SOPA	Scottish Organic Producers Organisation
UKROFS	United Kingdom Register of Organic Food Standards
WOAD	Welsh Office Agriculture Department

Gelöscht: ADAS

List of tables

List of figures

List of contributors

Austria:

Gelöscht:

Ludwig Maurer, Ludwig Bolzmann Institut, A-1110 Wien, Austria.
Karin Hofer, Wissenschaftsagentur, A-5020 Salzburg, Austria.

Belgium:

Guido van Huylenbroek and Alain Coppens, Department of Agricultural Economics, University of Gent , B-9000 Gent, Belgium.

Denmark:

Johannes Michelsen and Kennet Lynggaard, Dept. of Political Science and Public Management, University of Southern Denmark – Esbjerg, DK-6700 Esbjerg, Denmark.

Greece:

Agapi Vassiliou, Cretan Agri-Environmental Group, GR-704 00 Moires, Crete, Greece.
C. Kasimis and Ersa Zacopoulou, Institute of Urban and Rural Sociology, National Centre for Social Research, GR-115 27 Athens, Greece.

Italy:

Raffaele Zanoli, Department of Agricultural Economics, University of Ancona, Ancona, Italy.

United Kingdom:

Susanne Padel and Carolyn Foster, IRS Organic Farming Unit, University of Wales, Aberystwyth, Llanbardarn Campus, Ceredigion SY23 3 AL, Great Britain.

1 Introduction

Organic farming in Europe has experienced a very rapid development throughout the 1990s. In 1993, organic farming only covered a little more than a half per cent (0.65 per cent) of the total utilisable agricultural area among the 15 EU countries, while in 1998, the share had more than tripled to 2.19 per cent (Foster and Lampkin 2000). Although a 2 per cent share of the total agricultural area may still seem only marginal, it should be emphasised that the growth is very unevenly distributed. In countries like Austria and Sweden the development implies that organic farming now covers rather significant parts of the total agricultural area – 8.43 and 7.26 per cent respectively in 1998 – while in countries such as Greece and Portugal, organic farming in 1998 still only covered about 0.5 per cent of the total agricultural area. Hence, the EU average percentage of organic farming includes major variations between member states. At first sight this fact runs counter to expectation, because the EU decided common regulations regarding organic farming in 1991 (EC Reg. 2092/91 on certification of organic crop production) and in 1992 (EC Reg. 2078/92 on financial support to different types of environmentally friendly agricultural practices) (Lampkin et al. 1999).

The introduction of common EU regulations has not, thus, triggered parallel or uniform developments in the member states. Although all countries have experienced growth after 1991/92, the total level of organic farming and the patterns followed in organic farming growth are very different. This is demonstrated in Table 1-1, which includes the number of organic farmers in each of the current 15 EU member states between 1987 and 1998. Some countries, such as Greece and Italy, have experienced periods of rapid growth; other countries, such as the Netherlands and France, have experienced long periods of stagnation; some countries, such as Germany and Portugal, have even experienced a recent decrease, and still other countries, such as Denmark and the UK, have experienced periods of growth followed by decrease or stagnation and then renewed growth.

Table 1-1: Number of certified and policy-supported organic and in-conversion farms in EU member states 1985-1998. Ordered according to share of all farms

End of year	85	86	87	88	89	90	91	92	93	94	95	96	97	98
Sweden	150	321	466	665	1959	1859	1857	1867	1876	2061	4206	8268	10869	13527
Austria	420	500	600	880	1191	1539	1970	6000	9713	13321	18542	19433	19996	20207
Finland	60	70	82	160	373	671	950	1305	1599	1818	2793	4452	4381	4975
Denmark	130	150	163	219	401	523	672	675	640	677	1050	1166	1617	2228
Germany	1610	1720	2006	2330	2685	4188	5774	10225	11248	14727	15055	14106	12368	10684
Italy	600	700	800	1100	1300	1500	1830	2500	4656	8597	10630	17279	30844	42238
France	2500	2600	2660	2700	2700	2700	2730	2968	3231	3556	3538	3854	4784	6139
Netherlands	215	278	300	300	359	399	439	490	455	512	561	656	810	962
Luxembourg	10	12	13	12	11	10	13	12	12	12	19	20	23	26
United Kingdom	300	500	600	600	620	700	829	800	655	715	828	865	1026	1462
Belgium	50	70	103	125	150	160	170	176	160	168	193	228	291	421
Ireland	8	21	52	75	97	150	200	195	162	198	378	696	808	887
Spain	264	300	320	330	350	350	346	585	753	909	1042	2161	3526	7782
Greece				5	10	25	50	75	165	469	568	1065	2514	4183
Portugal	1	4	7	20	34	50	80	90	90	213	331	250	278	564
EU 15	6168	6925	7706	8856	10281	12965	16053	26096	33539	45892	55528	66231	83266	116285

Source: Data for 1985-1992: Dr. N. Lampkin, personal communication, including the reservation regarding data validity that the table is based on various types of data. Some information was supplied directly or published up to 28/5/99 while other information is based on provisional estimates, subject to confirmation; Data for 1993-98: Foster and Lampkin (2000).

The background for this report is a wish to develop policy instruments for promoting organic farming. The very different national reactions to the common regulation of organic farming among EU member states makes it fair to say that some additional understanding of the processes of organic farming growth is needed if one is to reach this goal (Michelsen 2001; Michelsen and Soegaard 2001). Hence, the aim of this report is to establish a firm basis for formulating effective policy instruments or other types of initiatives in support of organic farming growth. This is done in two steps. The first step includes in-depth studies of the development of organic farming in terms of sector size and long-term growth in a limited number of countries (i.e. six). The second step involves a comparison of the in-depth-studies in order to generate a general understanding of the social, economic and political conditions for organic sector growth. This general understanding constitutes a basis for suggesting policy instruments with a clear and positive impact on organic farming growth under different national conditions. However, the aim is not to give full specifications of such instruments.

Even a first look at organic farming development in different countries will show any observer that organic farming is developing along very different paths in each country. One reason for this is that the EU regulations had to be implemented at national decision-making level. Hence, the effective functioning of the EU regulations also depended on the specific national decision-making processes and conditions – and not only on EU decision-making. Against this background it seems valuable in itself to communicate both the results of the comparison and the detailed findings of the six in-depth studies, which together form the basis of the comparison. Other in-depth studies available on organic farming growth include only one or less than six countries and may not include coverage of all the developments that took place in the 1990s (confer Padel 2001) whereas the few studies that do include more than six countries are usually less detailed and analytical (i.e. Willer 1998). The objective of this report thus includes two interconnected tasks. One task is to describe the development in different national contexts in some detail in order to understand the specific national circumstances and characteristics. The second task is to communicate the collected information using a systematic approach that will pave the way for carrying out and understanding comparisons across countries, thus placing the development in each country in a broader context.

The number of in-depth studies has been limited to six countries. The countries were selected in order to represent as much as possible, the variation between the EU countries. The countries chosen include Austria, Denmark and Italy, which all have relatively large organic farming sectors, and Belgium, the UK and Greece, with relatively small organic farming sectors (see Table 1-2).

Table 1-2: Organic agriculture as a share of the total number of organic holdings and utilisable agriculture area in 6 countries selected for in-depth-studies. Percentages

Gelöscht: *1-2:*

Country	Organic farms		Organic area 1998	
	Share of all farms 1998. Per cent	Annual growth rate 1993-98. Per cent	Organic certified and in-conversion area. ha	Share of total utilized area. Per cent
Austria	9.6	16	287 900[1]	8.4
Denmark	3.5	28	99 161	3.7
Italy	1.8	55	785 738	5.3
United Kingdom	0.6	18	274 519	1.7
Belgium	0.6	21	11 744	0.9
Greece	0.5	91	15 402	0.4
EU 15	1.7	32	2 822 776	2.2

[1] Estimate

Source: Foster and Lampkin (2000)

The six countries also represent variation with regard to dynamics. This is indicated in Table 1-2 by the average annual growth rate for the number of farm(er)s 1993-98, which varies quite dramatically from 16 per cent in Austria to 91 per cent in Greece, the EU 15 average being 32 per cent. Regarding dynamics, Table 1-1 shows that Austria has in recent years experienced stagnation; Italy is experiencing long-term growth while in Greece a strong growth began only recently. The three remaining countries have experienced major changes in growth patterns. Furthermore, Austria and the UK are countries with long traditions of organic farming, while Belgium, Denmark and Italy have medium-term experience with Greece being a newcomer to organic farming. Finally, Table 1-2 indicates that the six countries taken together represent more than half of the total EU organic area and number of organic farms. The number of farms is chosen as the central unit of analysis because it directly represents the number of farmers – i.e. decision makers.

The report is divided into three parts. The rest of this chapter outlines the theoretical and methodological considerations behind the in-depth studies. The second part includes a lengthy analysis of the development of organic farming in a separate chapter for each of the six countries. Finally, the last chapter includes a comparison of the case study countries and an attempt to define a path for the successful development of organic farming.

1.1 Theoretical considerations

In order to serve the aim of making broad descriptions of the development in organic farming in six countries, the theoretical basis for the in-depth studies must include several aspects and cover more than one discipline of the social sciences. On the other hand, it seems impossible to make relevant comparisons if the detailed country studies are not based on a common theoretical framework. Hence, some theoretical considerations are necessary although they must leave room for substantial variation between the six country studies. The choice in this report is to focus on institutional aspects and institutional theory. Institutional aspects are analysed within all social sciences and they seem very relevant for the study of organic farming. One indication of the relevance of this approach is given in Michelsen and Soegaard (2001). They concluded their rough comparison of policy impact on organic farming growth in 18 European countries, by stating that instances of direct impacts of policy instruments appeared weak and unsystematic while successful organic farming growth seemed to involve a continuous series of initiatives originating in politics, the food market, and other parts of the institutional environment of organic farming. By choosing an institutional approach differences in the social context of organic farming is given higher analytical priority than, for instance, the technical or climatic context. This is justified by realising that the dissemination of organic farming seems, rather, to follow socio-cultural lines as demonstrated by the fact that organic farming dissemination is systematically larger among German speaking and Nordic countries than found in the Mediterranean region (Italy being the only exception), Anglophone or Francophone countries (see Table 1-1; Michelsen and Soegaard 2001).

Growth of organic farming is based on the cumulative impact of individual farmers' decisions regarding conversion to organic farming. An institutional approach to organic farming growth implies a focus on the broader context within which the farmers make their decisions. This involves an analytical interest in the influence arising from the activities of organisations relating to different aspects of farming – and organisations are usually perceived as identical to institutions. However, within institutional theory, the concept of institution also has a broader meaning viz. a coherent system of norms, rules, customs and habits shared collectively and enforced on individuals by the collective it refers to (see Sjöstrand 1993, Peters 1999). The main idea is that institutions involve groups (ranging from small groups like a family to nations and groups of nations), that institutions affect the behaviour of each individual member of the group in a stable manner over time and that institutions are based on shared values.

Organic farming is an institution in the broad sense as it involves distinct norms for farm production, which the organic farmers enforce upon themselves. Organic production practices may or may not be formalised to written production standards enforced by inspectors and supported by organisations of organic farming. Similarly, agriculture is also an institution as it involves specific ways of dealing with nature, which neither needs to be formalised in production standards nor in organisations of farmers taking care of their economic and professional interests, but usually agriculture is practised in ways specific to each country. Hence, although institutions like organic farming and agriculture are found in all countries, their manifestation in formal laws and organisations may differ widely between countries. Institutional theory now suggests that these differences have a systematic impact on farmers' individual behaviour. In this case the theory suggests that the propensity to convert to organic farming is shaped by the institutions of organic farming and agriculture in general.

The impact of choosing institutional theory as the basis of the analysis has three main consequences. In the first place, the study is open to different ways of perceiving organic farming and its dissemination within agriculture. Secondly, the involved actors' perceptions of the development are central to the analysis because they form the basis for their actions and are in turn shaped by the institutional environment. Finally, institutional theory demands a long-term developmental perspective on organic farming dissemination. Regarding the practical consequences for the six in-depth studies, three issues of an institutional theoretical framework will be dealt with here: organic farming as a social movement; organic farming and institutional interrelationships; and organic farming and institutional change. A broader discussion of the theoretical framework is found in Michelsen (2001) and Lynggaard (2001).

1.1.1 Organic farming as a social movement

A first step in the institutional analysis is to find the essential characteristics of organic farming as an institution. Here the theory of social movements points to two main characteristics of the way organic farming is established in society (Michelsen 1997, 2001; Eyerman and Jamison 1991). One is that organic farming developed through the joint efforts of many different interests. In addition to farmers many other interests that are not usually involved in agriculture have contributed to developing organic farming practices: consumers, traders, scientists and ordinary citizens. The other social movement trait found in organic farming is that it is based on an open wish to change parts of agriculture on the basis of a deep criticism of certain elements of mainstream – or what organic farming has successfully defined as "conventional" agriculture. The critique originates in a specific perception of agriculture that emphasises environmentally friendly or sustainable production working within agro-ecological systems to achieve adequate levels of production based on farm-derived and local resources and recycling of nutrients as well as animal welfare (Lampkin et al. 1999; Neuerburg and Padel 1992).

From an institutional point of view it is important that this perception is formulated in direct opposition to ordinary perceptions of agriculture aiming at maximising agriculture production by using artificial inputs.

The distinctiveness of organic farming is further emphasised by the fact that developers of organic farming were neither exclusively nor primarily recruited from the circles that usually dominate the development of agriculture. Instead, organic farming was developed on the basis of knowledge and by people who had little connection with, or who stood on the sidelines of, mainstream agriculture (Padel 2001). Developers had, however, well-established interrelationships with other parts of society such as environmental sciences or environmental movements (Michelsen 1997). This is important because it emphasises that organic farming from the outset should not primarily be seen as one among several alternative farming systems. Organic farming is unique because it represents an outside interest in agriculture. A good illustration of the uniqueness of organic farming and of the importance of its distinctiveness, and hence of the institutions associated with organic farming, is the recurrent association of organic farming with a paradigm shift in agriculture (Wynen 1996).

In addition, organic farming organisations are often organised in a rather informal way, more or less following practices of grassroots organisations (or “new social movements”) not least when compared to the strongly formalised organisational system of agriculture in general. General agriculture organisations, on the other hand, are characterised as belonging to a sector, which – not least in terms of policy – is strongly segmented from other parts of society (Daugbjerg 1998; Lowe et al. 2000; Winter 1996). This implies that interests perceived as not belonging to the agriculture segment usually have only little influence on decisions regarding agricultural development. In this respect, the very introduction and subsequent steady growth of organic farming implies a significant change in the institutional framework of agriculture in spite of the limited dissemination of organic farming up to now.

Against this background a main element of the in-depth studies is to study organic farming as a special line of development within the context of agriculture rather than within the broader context of society as a whole. Following the above argument, it is expected that actors of general agriculture institutions consider organic farming as a “foreign body” or at least a representative of unusual outside influence.

1.1.2 Organic farming and institutional interrelationships

Organic farming organisations may aim at achieving influence in all or separate parts of society. Using a simple model, society may be seen as composed of three sections: the State (based on political authority), the Market (based on economic competition) and Civil Society (based on civil solidarity within families, social groups, etc.) (Michelsen 1994a; Pestoff 1991). When attempting to reach farmers, organic farming may need links within all three sections. First of all organic farming needs to materialise in organic farms – or, in other words, farmers have to be recruited into a sustained organic farming practice. Hence, organic farming organisations need to be present within the realm of farmers’ civil society. Secondly, organic farmers produce food, which needs to be distinguished from non-organic foods via distinct organic institutions in the food market (see Michelsen et al. 1999). Finally, as agriculture in general is under heavy political regulation, organic farming may also need to develop agriculture policy interrelationships, which parallel those of mainstream agriculture organisations. This is, not least, necessitated by the existing EU regulation of organic farming.

A further distinction is between different levels of society. Farmers operate on the micro level of society whereas society at large constitutes the macro level of society. In-between these two levels a meso- or sector-level can be identified. It is to a major part constituted by sector organisations (i.e. agriculture), which serve the functions of mediating interrelationships between (individual farmers operating on) the micro level and (society at large or) the macro level of society.

In Figure 1-1 these distinctions are applied to agriculture. Agriculture constitutes a sector on the meso level and general agriculture institutions are found in all three sections: State, Market and Civil Society, which represent distinct domains of the agriculture sector. Civil Society constitutes a farming community domain, State an agriculture policy domain and Market a food market domain. There is no necessity for organic farming to develop distinct institutions within all three domains. However, due to the comprehensive nature of the organic farming critique on mainstream agriculture, it seems reasonable to ask, in an empirical analysis, whether organic farming has in fact established institutions of its own within each of the three domains and how they are organised in relation to mainstream agriculture. Furthermore, in those domains where organic farming organisations are established, there must be some kind of institutional interrelationship with general agriculture organisations, which is a very relevant factor to investigate empirically. It seems worth emphasising here that organic farming is a newcomer in the institutional environment with the organisational characteristics of a social movement and, hence, in direct comparison with general agriculture organisations should be expected to be the consistently weaker part in these interrelationships.

These considerations draw attention to the importance of empirical analyses of interrelationships between organic farming and general agriculture organisations within all three domains of agriculture. Within the farming community domain, organisations are based on farmers' solidarity and organise farmers' interests into farmers' unions and training and advisory service organisations – as well as into organic farming organisations. Within the agriculture policy domain are found those public agencies that rest on the public authority in which agriculture policy is formulated and administered. These agencies interrelate with farmers through regulation or support – including public programmes on organic farming certification and support. The food market domain includes the interrelationships between farmers and the business firms that demand different types of food products in order to process and market them.

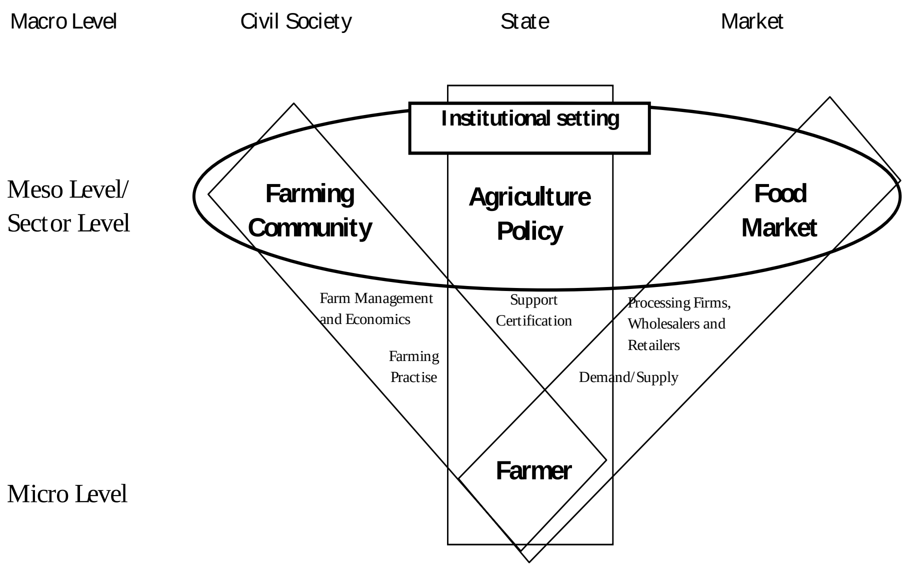
From Figure 1-1 it appears that – apart from the farmers – the interrelationships and actors within each domain are different. However, it is a common experience in many countries that – in spite of the major differences between the domains – strong interrelationships have developed across domains among the different organisations in each domain. This is indicated in Figure 1-1 by the ellipse on the meso/sector level as these interrelationships are only working on the meso/sector level. They do not involve the individual farmer, but they have an indirect impact on farmers' action through the other three domains. Hence, these interrelationships should be seen as taking place within a separate, fourth domain – the institutional setting of the agriculture sector.

Gelöscht:

One example of cross-domain interrelationships within the institutional setting is that farmer co-operatives are important actors in the food market in many countries. Quite often cooperatives also have strong interrelationships with farmers' unions. Another example is that farmers' unions are involved in implementing agriculture policy or that public agencies contribute to farmers' development of production systems and hence are closely connected with the farming community. Finally, within the institutional setting, a simultaneous interplay between all the three other domains may be possible.

Figure 1-1: Interrelationship between the farmer and the institutional environment

Gelöscht: <sp>



1.1.3 Co-operation, competition and creative conflict

Interrelationships between organic farming and mainstream agriculture institutions and organisations may in any domain take different forms.

As organic farming involves a critique of mainstream farming, the interrelationship is based on disagreement in perceptions of agriculture, which in turn is expected to lead to some kind of conflict (Sabatier 1993). How the conflict is shaped may be influenced by two opposing types of reasoning. On the one hand, organic farming needs to promote itself as an alternative to other farming systems in a sort of *competition* working in the "market" for farming systems. On the other hand, organic farming is also a farming system and relies, in many cases, on good husbandry or traditional farming practices and hence shares many values, ideals and problems with other farming systems – all aspects that call for *co-operation* or association with general farming institutions. In institutional theory markets and associations – and hence competition and co-operation – rest on opposite forms of interaction (Sjöstrand 1989). In an empirical analysis, however, it rather seems a matter of the extent to which interrelationships between organic farming institutions and general agriculture institutions are characterised by either co-operation or competition. Hence, in this analysis co-operation and competition are perceived as two extremes on a scale. On such a scale the middle point characterised by both competition and co-operation is of major empirical interest, but it is not discussed much in theory (see Michelsen 1994a for a discussion of a similar problem). In the analysis done here it is, however, suggested to see the middle point as characterised by *creative conflict*. The three types of interrelationship need some specification. It is given here and in Table 1-3.

Pure co-operation is one extreme type of interrelationship between organic farming and general agriculture institutions. Pure co-operation characterises a situation where the two parties cooperate in such a comprehensive and encompassing way that the fundamental conflict regarding farming systems is avoided and deliberately toned down. The extent of *pure co-operation* may be such that there seems to be almost no difference between organic farming and mainstream farming – a situation characterised by *silence on differences in farming systems*. There may be several reasons for avoiding or toning down conflicts. One is the conviction that organic farming more or less equals existing types of (extensive) farming. In such a case it is very difficult to maintain the distinctiveness of organic farming – the identity may wither away – and one should only expect to find few and comparatively weak organisations that exclusively forward the ideas and interests of organic farming. Instead, it is expected to find the main proponents of organic farming inside general agriculture institutions. *Silence on differences in farming systems* is not expected to promote a continuing and substantial dissemination of organic farming – unless in a situation where organic farming is perceived as the future option for all national agriculture.

Table 1-3: Three main types of institutional interrelationship between organic farming and general agriculture institutions

Characteristics	Pure co-operation	Creative conflict	Pure competition
Contact between organic and general agriculture institutions	Comprehensive and encompassing co-operation in all aspects	Co-operation in some aspects and competition in other aspects	No contact at all

Need of organic farming organisations	No	Yes	Yes
Perception of interests	Silence on differences in farming systems	Joint perception of some interests – for instance regarding the environment – opposing perception on other aspects	Suppression of all interests and arguments of the adversary
Exchange of views	Differences toned down	Competition and mutual respect for others' views	No serious attempts for exchange
Expected consequences for organic farming identity	Wither away	Established but development on pragmatic basis	No change
Expected consequences for dissemination of organic farming	No continuous and substantial development of organic farming – unless perceived as future for all national agriculture	Organic farming develops stepwise based on creative solutions to issues of co-operation or competition	Organic farming development hampered

The other extreme type of interrelationship is *pure competition*. It is characterised by no or only occasional direct contact between organic farming institutions and those of general agriculture. They see each other as competitors or opponents vis-à-vis the food market, public agriculture support or public opinion, rather than as farmer colleagues. In all domains of the agriculture sector, pure competition may create an atmosphere where attempts are made to suppress the interests and arguments of the adversary without any serious exchange of views on, for instance, perceptions on agriculture or farmers' strategies for action. Hence, a sense of "fundamentalism" regarding both farming systems may develop. Pure competition presupposes the existence of autonomous organic farming organisations. Competition will be open if the organic organisations are strong enough to be considered a real organisational obstacle to the general agriculture organisations. If the organic organisations are weaker, it may lead the general agriculture organisations to neglect them. The pure competition interrelationship is expected to hamper the development of the weaker part – i.e. of organic farming – and hence have a negative impact on organic farming growth.

The type of interrelationship in-between competition and co-operation is characterised as *creative conflict*. Here, organic and general agriculture institutions are in continuous contact while cooperating on some issues and competing on others. Hence, creative conflict may involve a climate of both competition and mutual respect under a joint perception of some but not all common interests – for instance, regarding the development of agriculture in an environmentally friendly and economically sound way. This type of interrelationship presupposes the existence of distinct organic farming organisations. Creative conflict is, furthermore, expected to help in promoting the development of organic farming by keeping issues of organic farming on the agenda of farmers' civil society, the food market and agriculture policy, as well as in society at large, whilst maintaining the integrity of the core organic farming principles within a pragmatic framework. The conflict should be perceived as creative, not only for organic farming, but also for mainstream agriculture for instance in easing the ability of general agriculture institutions to develop environmentally friendly agriculture and to service new groups of farmers.

It should be emphasised that the three types of interrelationships mentioned represent three positions on a scale and that real-world interrelationships may combine elements of two of the positions and hence be positioned somewhere in-between the positions mentioned. Furthermore, it appears from the listing of the three positions that only creative-conflict-interrelationships, in which competition and co-operation are combined, is expected to contribute to the promotion of organic farming. Both *pure competition* and *pure co-operation* interrelationships are, on the other hand, expected to hamper organic farming growth. Although organic farming organisations are found in situations of both pure competition and creative conflict, it also appears from the list that there is a common danger under conditions of pure competition and *pure co-operation* for organic farming to lose its identity.

This type of reasoning points to the fact, that institutions and inter-relationships from the outset are perceived as stable, while the analysis to be done here is about change which involves a shift from one stable state to another – i.e. instability or dynamics. *Pure co-operation* and *pure competition* are stable types of interrelationship and hence cannot by themselves bring about change, while *creative conflict* represents an unstable situation, which at some time should be expected to be followed by a stable state. This new steady state may – or may not – differ from the preceding state. Hence, the discussion on institutional interrelationships turns the theoretical attention towards the dynamics of institutional change.

In addition to characterising the interrelationship between organic farming and general agriculture institutions in terms of co-operation, competition and creative conflict, it may also be necessary to characterise the interrelationship between different organic farming institutions and organisations. This may be seen as a consequence of the theoretical understanding of organic farming as a social movement. A social movement is distinguished from other types of organisation by the fact that social movements have no definite structure and individual members may support the aims of the movement without participating in any of its organisational activities (Michelsen 1994; Sjöstrand 1985). This implies that several organisations and groups may enter the field of interest to the social movement with their own suggestions for shaping issues and actions. There is no formal or informal structure inherent in social movements to prevent this type of development. Within a movement some organisations may attempt to take a role as the main organisation, or some kind of co-operation may be initiated within umbrella organisations. However, as long as there is a movement such attempts may be challenged by others. From this perspective it appears that interrelationships between organisations within a social movement may take the form of pure co-operation, pure competition or creative conflict. When attempting to assess the impacts of the different types of interrelationships within the organic farming movement, pure co-operation should in general be expected to help in strengthening the relatively weak position of organic farming within the strongly organised agriculture segment while pure competition should be expected to further weaken the position of organic farming. Creative conflict may be helpful in developing organic farming and securing back up from different types of supporters / members, but in organic farming interrelationships with general agriculture institutions, it seems that the level of internal conflict needs to be low – whether creative or not.

1.1.4 Organic farming and institutional change

The theoretical considerations have so far specified a focus on the ways in which organic farming is institutionalised in different national agriculture contexts and on the types of interrelationship between organic farming institutions and general agriculture institutions. But there is also a need for understanding the *dynamics* of organic farming development within the agriculture sector.

The growth of organic farming implies dynamics viz. a strengthening of the relative position of organic farming within agriculture. At certain points this must involve some kind of change in interrelationships between organic farming and general agriculture institutions. The criterion for stating that the position of organic farming is strengthened must be that some changes are found in the collectively shared norms, rules and habits, which constitute the institutions. Hence, main issues to be covered by the empirical analysis must be whether institutional changes have taken place, to specify whether the changes occurred within organic farming or within general agriculture institutions, and to specify whether the changes had implications for the type of interrelationship between the two parties.

As is often the case in institutional theory, the main indicator for institutional change in this analysis is changes in organisations (see Sjöstrand 1993; Steinmo and Thelen 1992; Peters 1999). Some caution is necessary when dealing with this indicator and therefore two additional considerations are taken into account. First, there is a need to be attentive towards internal changes in existing organisations, which may not be visible when analysing the formal organisation. Second, there is a quantitative aspect – an institutional change seems more likely when several rather than few organisational changes have taken place about the same time. In addition, it is important for the analysis if institutional change takes place in one or two of the four domains of the institutional environment or if all domains are involved. The more domains involved in the change, the stronger the institutional change is considered to be. However, even these assessments should not be seen in purely quantitative terms, as major or radical changes of organisations in one domain may appear more important for organic farming development than minor or mainly cosmetic changes involving more domains.

1.2 Methodology and structure of the study

This report consists of two interlinked elements. One element includes the in-depth analyses on the development of organic farming in six countries. They are based on – in the absence of better data – qualitative information and assessments of the situation in each country. The other element is the comparative analysis. Here, there are major methodological problems involved in studying institutions across countries because the inductive and qualitative nature of an institutional analysis tends to produce dissimilar notions of institutions and changes across national contexts (Peters 1998). The crux of the matter is to make it possible to compare institutions and institutional change across countries although data may not be strictly comparable and to draw conclusions based on limited and mainly qualitative evidence (Weaver and Rockman 1993). The main idea of this study is to perform what Laegreid and Pedersen (1999) call a *systematic comparative illustration*, which implies that the ambition of the comparison is not to test the theory but rather to use the theory as a means to systematise the empirical evidence.

1.2.1 Collection and presentation of information

Information on organic farming development and organisation is very scarce as indicated by all other reports in the series “Organic Farming in Europe: Economics and Policy”. Hence, analyses have to rely on, to a major extent, quantitative and qualitative data that are neither fully consistent nor complete and which include assessments by experts or actors within the field. These data are incomplete, when looking at any individual, relevant aspect in terms of the extent of coverage and there may be major problems of trying to fit data extracted from different sources onto the same issue. However, this kind of data is preferable to no data at all – and quite often they represent a level of information which is comparable to data available to decision makers in each country. Furthermore, the data presented represent a substantial effort of collection and analysis that may be useful as a starting point for other and more precise analyses in any country and across countries. However, it should be noted as a general warning that no empirical conclusion can be regarded as exact, because of the imperfect status of the data. This is the main reason for using so much space on presenting data in a way, which attempts to combine openness towards the specificities of each country with suggestions only for comparative conclusions.

The information given in each country study has emerged in three steps which all build on the theoretical framework by focusing on the dissemination process and on institutional interrelationships within the four domains of the institutional environment. The first step included the collection of existing information about the six countries in order to summarise and synthesise existing knowledge and on this basis formulate questions for further investigation. The second step included attempts to answer the specific questions by means of qualitative interviews with key persons in each country. Finally, the third step involved the processing of information into country descriptions by interviewers and analysts. Only the results of the third step are presented in the country studies.

The first step involved the production of a preliminary report for each country including a summary of the information available on the institutional environment of organic farming development drawing from sources covering all countries such as Lampkin et al. (1999), Foster and Lampkin (1999; 2000), Michelsen et al. (1999), Michelsen and Krongaard (unpublished), Michelsen and Soegaard (2001) and Offermann and Nieberg (2000) as well as from sources specific to each country. The summary also attempted to synthesise the information into suggested interpretations of the development in each country. The interpretations served as basis for proposing issues for further investigation. The country syntheses formed the basis of the second step, which implied the collection of supplementary material by local key informants (specified in the list of contributors).

The second step was introduced by inviting the local key informants to comment on and suggest changes in the preliminary reports on the basis of more or better information available to them. When agreement was obtained regarding the preliminary reports, the second step required the local informants to collect additional information from other sources – mainly through qualitative interviews – with local key actors. Five to eight persons were interviewed in each country including representatives of public administration, organic farming organisations, general farmers' unions, extension services, certification bodies and the food sector. In order to obtain the highest quality of information possible from the interviews, the wish of some interviewees for anonymity was respected and then used as a point of reference for all interviews.

The interview questions were organised to be open-ended and semi-structured as the aim was to gain insight into the qualitative and informal aspects of the institutional environment of organic farming. A common core interview guide included general questions regarding the local explanations for organic farming development and local views on the institutional environment. For each country, supplementary questions were fielded regarding special issues where the summary of the first step had revealed a need for more information. The questions included in each interview were confined to the fields in which the interviewee had particular knowledge and expertise.

An explicit historical dimension – emphasising the dynamics of recent years – was seen as essential for the analysis and therefore was reflected in the interviews as well as in attempts to obtain supplementary documentation on recent developments in the institutional environment where necessary. In all the interviews, the major changes identified in developmental trends were used as important points of reference asking questions as to whether the interplay between organisations and agencies had or had not contributed to the curtailment or promotion of the development of organic farming – and by which means. Another field of special interest was to ask questions that challenged a purely institutional approach, for instance, by asking about the importance of specific individuals in terms of development and for the interviewees' assessment of the institutional environment or whether specific individual incentives for conversion had played an important role.

The use of local key informants and partners implies that good knowledge of local problems is available in the country reports. However, a less favourable implication of involving local informants and partners is that different interviewers in different countries had to carry out qualitative interviews for the purpose of later comparative analysis and this implies major methodological problems in terms of obtaining commensurable answers from the different countries. In an attempt to counter these problems, the authors of this report conducted the interviews themselves in three countries, these being, Austria, the UK and Denmark, and also participated in the interviews carried out in Belgium, Greece and Italy.

All interviews were taped and their contents summarised for the authors by local informants. These summaries followed the framework adopted in the initial temporary reports in attempting to answer the questions asked there. The summaries formed the raw material for the third step of analysing the information obtained.

1.2.2 The analysis of the information obtained

Several persons were involved in preparing the material obtained through the two first steps of information collection, but analysis involved the editors of this report only, in order to create the best possible conditions for comparative analysis. For each country a separate chapter is prepared which follows the structure presented in Figure 1-1. The introduction of each country study includes the main figures and events that characterise the organic sector's development and formed the basis of the specific questions to be answered. In the subsequent sections, focus is on the development and institutional change occurring in each of the four domains and the descriptions are summarised in a figure showing the changes of the institutional environment for organic farming over time. Each study is concluded with an overall characterisation of the institutional interrelationships between organic farming and the general agriculture institutions as well as with the changes in the institutional environment. There is some emphasis on identifying the timing of organisational changes within each domain in order to be able to specify as much as possible the extent of institutional change in terms of the number of domains involved in the changes at a certain point in time.

Although the country studies follow a common structure developed on the basis of the theoretical considerations summarised in Figure 1-1, they differ in emphasis and style. In this way they still reflect the distinctive nature of the type of problems facing organic farming development in each country – and in spite of all editing – also reflects the multitude of persons involved in the process. The comparative endeavour of the studies is, however, achieved by letting the conclusions of each country study focus on similar issues, and by regarding the conclusions for each country as only tentative, as the final analysis of an individual country may be altered when a comparative perspective is included.

The comparative analysis is to be found in a single chapter – Chapter 8. It involves two different steps. The first step includes a summary of the main findings of the country studies across the main dimensions defined by the theoretical considerations. The objective is to assess the impact on organic sector size of different types of institutional interrelationship and of different types of institutional change respectively. This is done by making a qualitative assessment of the institutional similarities and differences across countries (and regions) over a period of time. Some analytical emphasis is put on the development in countries with large organic sectors or with experience regarding periods of major growth because of the interest in understanding the growth process as a means to develop policies in support of organic farming.

The second step involves an attempt to formulate a normative development path for successful organic farming growth in terms of an enduring and continued growth. Here the information available in the country studies is combined with some additional information on organic farming growth. Through this step the information is organised into a sort of normative theory on organic sector growth. It should, however, only be seen as a tentative theory as it is only based on the – as mentioned above – incomplete information available for the six countries.

2 Austria[2]

2.1 Background

Austria is one of the main success stories of European organic farming in terms of the size of the organic farming sector and in terms of positive policy support, first on a national basis and – after Austria's membership of the EU – under EU regulations. Hence, Austria provides a good case to study the factors that promoted this rapid expansion of the organic sector. However, as shown in Figure 2-1, the development has slowed down recently and Austria therefore also provides a case for studying such a period of slow or stagnating development.

Austria has a fairly long tradition in organic and biodynamic farming. Individual farms date back to the 1920s. In the late 1970s a steady but relatively slow growth in the number of organic farms started and continued throughout the 1980s. The first half of the 1990s was characterised by the beginning of a rapid growth period that led organic farmers to cover 8 per cent by of all farmers in 1996. In recent years the development has been considerably slower again, but still the organic sector is one of the largest in Europe.

According to several different interview sources four decisive steps in the Austrian development can be detected. The first step includes the definition and protection of the term organic in the Austrian food law in 1983 (Codex Austraicus) that was implemented by the Ministry of Health and Consumer Protection. The second step includes public support to organic associations and the introduction of a law on organic production in 1989, which was expanded from crops to livestock in 1991. Thirdly, general subsidies for organic farmers were introduced nationwide in 1991 and continued under the framework of the agri-environment programme after Austria joined the EU in 1995. And, finally, in 1994, the biggest Austrian retailer Billa-Merkur started an organic product line.

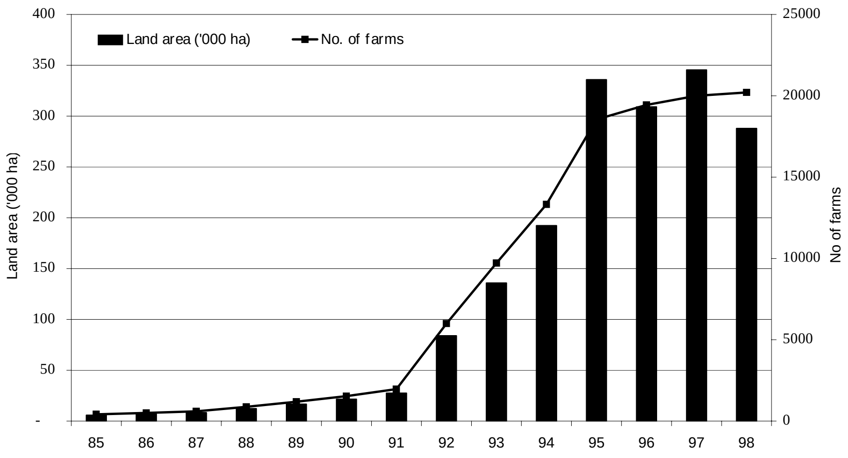
It is also generally acknowledged among interviewees that the farming conditions in Austria supported conversion to organic farming because many farmers in Austria are, in any case, following extensive production practices. In addition, the more rapid development of organic farming in Austria coincided with the negotiation period for Austria's EU accession and these are likely to have contributed indirectly to the development of organic farming through a substantial re-orientation in Austrian agricultural policy.

The halt in organic farming growth after 1995 has no clear explanation. However, after Austria's EU accession, the objectives of the Austrian agri-environment programme were broadened and other less restrictive support programmes were offered (a direct effect is mentioned in note a

[2] Prepared by Susanne Padel and Johannes Michelsen on the basis of interviews done and summarised by Karin Hofer and Susanne Padel.

to Figure 1-1.) It is, furthermore, worth mentioning that the structure of organic farms seems to change towards smaller farms as the total certified area is decreasing while the total number of farms is increasing. This indicates a process where quite a few organic farmers (re)convert to non-organic farming – a process mentioned in a leading Austrian magazine in March 1999 and explained by difficulties in marketing the products (Weber 2000).

Figure 2-1: *Development of organic land area (total and policy supported) and number of farms in Austria from 1985 [a] to 1998*



Source: Foster and Lampkin (2000)

[a] area for 1985-1993 estimated from number of farms (ca. 14 ha/farm)

Note: In 1995 there were initially 22 875 holdings registered at start of the year, but many transferred to other EU Reg. 2078/92 schemes during the year. Official data now exclude these farms.

Organic farming in Austria is rather unevenly distributed both geographi-cally and with regard to product. Organic production is concentrated in the Alpine regions (65 per cent), with 30 per cent in medium altitude regions and less than 5 per cent of organic farms in the lowland regions (Eder 1998a). Of the provinces, Tirol has the largest share, followed by Steiermark, Salzburg, Niederösterreich, Oberösterreich, Kärnten, Voralberg and Burgenland. Conversion was mainly concentrated in the western areas with a large proportion of permanent pasture (Tirol, Salzburg) and is not so strong in those regions, where, traditionally, cropping dominates (e.g. Burgenland). Approximately 80 per cent of the organic area is permanent pasture and 20 per cent is cropping land (Foster and Lampkin 2000). Approximately 86 per cent of all organic producers are in the disadvantaged mountainous areas, with only 14 per cent in the lower (for agriculture) more favourable regions (Groier 1998). The uptake of organic farming among specialist producers, such as wine and fruit growers and specialist horticultural producers is limited.

The average farm size is 19.8 ha (compared to 13.2 ha in Austrian agriculture). In some regions the organic farms are larger than average (e.g. Burgenland, Niederösterreich) while in others, smaller (Tirol, Voralberg). About 97 per cent of all organic farms have livestock and 87 per cent of all organic farms are in the mountain regions of Austria. A large proportion (58 per cent) of the livestock producers' activities can be classified as low intensity grassland production (Eder 1998b). The proportion of full-time farmers is higher among organic farmers (51.4 per cent) as compared to conventional agriculture (31.3 per cent) (Groier 1998).

Approximately 65 per cent of all organic farms are members of an organic producer organisation and private certification body (Ernte being the biggest), but 37 per cent of the organic farms follow the Codex-standards and are inspected by the general Agriculture Chambers. The majority of those farms are in the regions Tirol (in 1997, 4395 out of 4995) and Salzburg (2004 out of 3340), whereas Ernte is particularly strong in the southern and southeastern regions.

2.1.1 Main questions for the in-depth study

Apart from an improved understanding of the development of a large organic sector the following issues were, in advance, specified as of special interest in the Austrian in-depth study.

The first and most general issue is about the role of organic farming in the Austrian agriculture network. It appeared that strong growth in organic farming took place in spite of a relatively weak representation of organic farming in the very tight and strongly interrelated agricultural network in Austria. This network includes the Agriculture Chambers and the co-operatives which both have close connections with agricultural policy institutions. Of specific interest was the position of organic farmers and their organisations in this network. An ongoing competition among two organic umbrella organisations lead to the question of whether this internal conflict had impeded joint representation of the interests of organic farmers. A special aspect of representation included questions regarding the high proportion of codex farms in some regions and how their interests are represented.

The second main issue of investigation is the basis for the political commitment in supporting organic farming and any change in this in recent years. This issue includes an interest in clarifying the perceptions of the economic implications of Austria's EU membership for conventional agriculture that, during the negotiation phase, seemed quite negative and a possible explanation for the very rapid growth of the organic sector.

The third issue is the development of the market and the relative importance of multiple retailers and direct or regional marketing.

Against this background it was important to obtain interviews with representatives of all the most important organisations concerned with Austrian agriculture policy: the Ministry of Agriculture, the Agriculture Chambers, and Agrar Marketing (AMA). To these were added Ernte as the largest organic producer organisation, the Raiffeisen Verband as the company including the main firms supplying farmers with raw materials and processing their products, and Billa as the main Austrian multiple retailer who developed its own organic label ("*Ja natürlich*"). Finally, interviews were conducted with persons involved in marketing outside multiple stores and with significant individuals of the field such as researchers, organisers of farmers, or leading individuals.[3]

2.2 Institutional changes within the farming community

2.2.1 Organic farming associations and their interrelationships

Austria has eleven organic producer organisations, but Ernte (founded in 1979) is the leading one representing approximately 55 per cent of all organic producers (source [future abbreviation: s]: all interviewees). The Ernte has been characterised as an efficient organisation with an influential position in lobbying for organic farming (s: organic farmers' organisation and agriculture administration representative). Ernte also supports its members in marketing their produce, through information on outlets as well as providing assistance in direct marketing. Ernte operates in most regions while most other certification bodies operate either in specific regions and/or are of limited importance nationally.

Gelöscht: s):

Ernte is also the leading association in the umbrella organisation ARGE-Biolandbau (Arbeitsgemeinschaft zu Förderung des biologischen Land-baus), which was formed in 1984 and now represents approximately 90 per cent of all farm members of organic producer organisations. Other members of the ARGE-Biolandbau are ORBI (Fördergemeinschaft für ein gesundes Bauerntum, 1962), Demeter Österreich (1969), Biolandwirtschaft Ennstal (1988), Verein der biologisch wirtschaftenden Ackerbaubetriebe (BAF 1986) and Freiland (1995). ARGE-Biolandbau seems to form more formal alliances with various animal welfare and environmental organisations.

The second umbrella organisation ÖIG (Österreichische Interessen-gemeinschaft für biologische Landwirtschaft) consists of only three associations, the Erde & Saat (founded in 1987) together with its daughter company "Grüner Zweig", the association Dinatur (founded in

Gelöscht: (founded in

[3] Interviewees included two Representatives of the Agricultural Ministry of Austria (one interview was conducted by Karin Hofer for the project funded by the Commission of the EU, DG XII under the EU's RTD Programme 'Environment and Climate' (ENV4-CT96-0227); one representative of Agrarmarkt Austria (AMA); one representative from the Conference of Presidents of the Chambers of Agriculture; one agriculture scientist; one representative of a regional Ernteverband; one representative of the Association of Mountain farmers; one representative of a small eco-label; one representative of Raiffeisen Verband; one representative of Billa (conducted by Karin Hofer for the project funded by the Commission of the EU, DG XII under the EU's RTD Programme 'Environment and Climate' (ENV4-CT96-0227); one representative of Spar-Marketing; one administrative officer of AMA-Marketing; and one representative of a minor processing firm.

1990 after a split from Demeter) and the KOPRA (consumer producer association, founded in 1991 as a regional association in the Vorarlberg province). The ÖIG was founded in 1994 as an alternative for producer organisations that were more interested in alternative marketing structures to the supermarkets. This issue represents some potential for conflict between the two umbrella organisations (Vogel and Hess 1996). It seems the reasons for the organisational split into twelve organic associations arises out of historic development and the personalities involved (s: agriculture research).

The oldest association ORBI (Förderungsgemeinschaft für ein gesundes Bauerntum) was formally established in 1962 – not by farmers but by people with an interest in agriculture who had learned about the ideas of Dr. Hans Mueller in Switzerland. In several interviews the organisation is characterised as dominated by nationalist and partly national-socialist ideology. During the 1970s Ernte developed both in order to represent the farmers' interests and to maintain a distance from the ideology of ORBI. The pioneers of Ernte are characterised as pragmatic but imaginative in trying to establish structures that would allow the self-help principle in line with Mueller's understanding of organic farming to be realised (s: organic farmers' organisation representive). The co-operation of several regions with the Agriculture Chambers was initiated rather early on, with Oberösterreich and Steiermark seeming to be particularly successful examples.

Later on disputes within Ernte led to a split and the emergence of the separate organisation, Erde & Saat. Areas of disagreement at the time involved farming practices as well as the co-operation with the Agriculture Chambers (s: organic farmers' organisation representative). Other smaller associations developed in a regional context representing the interests of some farmers in a special region (e.g. Biolandwirtschaft Ennstal) or of certain producers (Weinviertel) and have not emerged as important actors in the internal conflicts of the organic farming sector. In addition, the conflicts among organic farming organisations are not very important at the level of the individual farmer who very often co-operates, with particular regard to marketing (s: organic farmers' organisation representative).

Overall it appears that the interrelationship between the producer organisations and the two umbrella organisations in the organic sector should be characterised as competitive. Although the organic sector itself wishes to tone down the importance of conflicts between the organic bodies, the lack of unity among the organic sector bodies is seen by the general agriculture sector as an obstacle to co-operation (s: general farmers' organisation representative). Likewise, the agriculture officials have also expressed problems of identifying whom to turn to when an organic farming perspective on issues is needed (s: agriculture administrator). The failure of the organic organisations to support a joint initiative for labelling may be seen as the main reason for the Minister (at that time, Franz Fischler) to hand over control on public labelling to the general agriculture organisation, AMA (s: retail representative).

2.2.2 Motivations and barriers to conversion

Until 1990, organic producers in Austria were mainly motivated by their convictions (s: organic farmers' organisation representative). This seems to have changed when the organic farming subsidies were introduced in 1989 as this made many farmers converts – seemingly in order to ensure a continuation or increase in their level of income. The organic farming subsidies were perceived to be the first ever production based subsidy for grassland farmers in Western Austria and were seen as a suitable way to compensate for income losses caused by the EU accession (s: general farmers' organisation representative). In addition, the possibility to sell products at higher prices also seems an important incentive for conversion.

Although there appears to be a distinct difference between "older" and "newer" organic producers, the biggest organic farming organisation, Ernte, is not opposed to the strong presence of economic motives among new converters. The organisation itself promotes organic farming as a way to improve the incomes of farmers and to improve the image of agriculture. In a similar way, general farming organisations perceive organic farming as a way to maintain the Austrian traditional model of family farming. Thus the promotion of organic farming focuses on issues of health, animal welfare, and on survival strategies for the traditional Austrian type of farmer. In society at large, agriculture is, in general, not regarded as a real environmental pollutant. The dominant view is rather that Austrian agriculture is in fact environmentally friendly, while the big farms in EU member states have problems with pollution and animal welfare. The public relations campaigns of the ministry were always primarily concerned with the health aspect. Within the agriculture sector, organic farming is viewed as a niche for one section of the farming community, which would otherwise have to be relinquished when confronted with EU competition (Michelsen and Krongaard [unpublished]). Eder (1998b) attributed the low uptake to a lack of know-how among arable farmers. This raises the question of whether the efforts in increasing knowledge and information about organic farming have yet been successful in all areas and for all farm types.

Gelöscht: (unpublishe

2.2.3 Knowledge, information and advice

At the beginning of the development of organic farming in Austria, information and knowledge was mainly generated by the organic farmers and distributed through informal networks of producers (Fersterer and Gruber 1998). In a next stage, the producer organisations started to develop their own information and advisory structures. This was supported by general institutions that provide training for farmers, particularly in the context of a strong emphasis on regional development in several areas, under which organic initiatives were covered.

As a result of the rapid growth in the number of organic farms between 1992 and 1995 the regional agricultural chambers recognised a need to get involved, particularly because of the large number of farmers who were not members of producer organisations. Hence, currently mainly two types of bodies provide information and advice, the producer organisations (mainly Ernte) and the regional agricultural chambers.

Ernte has delegated the responsibility for the advisory services to its regional offices and provision varies between the regions. In Steiermark and Oberösterreich co-operation with the agricultural chambers started early on and resulted in a joint advisory service, whereas in the other regions, the development of training and advisory structures was independent of the mainstream, based on professional all-round advisors or, in some regions, (e.g. Kärnten) on part-time farmer advisors. Some advisors have specialised in particular areas, but within the producer organisation this specialist knowledge is pooled and can be used over a wider region. In addition to professional advice a structure of regional and farm-type discussion groups exists. In the smaller producer organisations the flow of information is more dependent on these groups and voluntary activities, rather than on professional advice.

Responsibility for official advice through the Agricultural Chambers lies also with the provincial agricultural chambers whereas the federal Ministry only has a co-ordinating role. Although there was originally strong resentment against organic farming in the chambers and vice versa in some provinces, this was mainly overcome in the early '90s although some regional differences remain. In 1997, in the whole of Austria, approx. 20 full-time advisors assisted organic producers, 40 per cent in regional chambers, 25 per cent in producer organisations and the remaining 35 per cent in joint arrangements (Fersterer and Gruber 1998).

A widespread problem of the past seems to have been that most Codex farms (farms certified according to the national standards by the chamber) did not receive conversion advice from professionally qualified advisors. A particular deficit was identified in the area of knowledge about the principles of organic production. Further, the limited advisory capacity has been directed towards farmers in the process of converting at the expense of established organic producers (Fersterer and Gruber 1998).

Despite the remaining problems, both Ernte and the Ministry unanimously judged the introduction of organic advisory staff in the Agriculture Chambers as a very important step for the development of organic farming in Austria (s: organic farmers' organisation and agriculture administration representatives).

2.2.4 The role of the regional agricultural chambers and their collaboration with the organic sector

There are nine regional agriculture chambers which form one national umbrella organisation, the Conference of Presidents of Chambers of Agriculture ("Präsidentenkonferenz der österreichischen Landwirtschafts-kammern"). The regional chambers are the official interest representation of all farmers for whom membership is obligatory. The chambers form one of the four "social partners" in Austria, which serve formalised and fundamental functions in the legislative process on all levels. The way farmers vote in the chambers is based on membership of the farmers' associations, which – in turn –are organised in conjunction with the general political parties in Austria. The biggest farmer association is the "Österreichischer Bauernbund" (controlling between 70 and 90 per cent of the votes in the chambers), which is affiliated with the conservative ÖVP (people's party). The other two farmer associations, SPÖ-Bauern and Freiheitliche Bauernschaft are sympathetic towards the Social Democrats and the Freedom Party respectively. The agriculture chambers are also influential in marketing as they are represented in the Agrar Marketing (AMA) boards (see below) and in many local dairies, abattoirs and mills.

Up until the late 1980s the official attitude of the chambers towards national co-operation with organic farming organisations was very negative. Organic farming was perceived as an opponent in politics (supporters of organic farming generally being members of the "wrong" party; namely the Social Democrats) as well as in the food market. On the other hand, organic farmers at that time were generally perceived as being motivated by a fundamental ideological stand and disinterested in co-operating with the chambers (s: agriculture administrator). Parts of the organic sector itself, saw organic farming as a way to break the dominance of the agricultural establishment (s: organic farmers' organisation representative). There were, however, examples of more cooperative interrelationships between the organic and conventional agriculture sector. In the provinces of Oberösterreich and Steiermark the co-operation between agriculture chambers and organic farmers already existed in the early 1980s and the potential of organic farming for the mainstream agricultural sector was recognised. Riegler, who later became very influential in the issue of support for organic farming as the Minister for Agriculture, was a member of the Steiermark provincial government at that time.

There is still some reluctance towards organic farming within the chambers and among its leading representatives, but the general attitude has changed. This change seems to have come about for several reasons. Firstly, a generation change within the public administration has taken place. Younger staff are replacing older chamber representatives who have been influenced by their experience of the hunger period after the Second World War and therefore still see productivity increase as a primary aim for agricultural development (s: agriculture administrator). Secondly, as the organic sector has expanded, the chambers had no choice other than to co-operate in the provinces with a high proportion of organic farmers (s: retail representative). Thirdly, points of interrelationships between the general agriculture chambers and organic farming organisations have been established through the introduction of organic advisory services within the chambers. Minister Riegler enforced this measure, against the will of some regional chambers (s: organic farmers' organisation and agriculture administration representatives). Today, the organic advisory services of the chambers and the organic associations – at least Ernte – co-operate in most provinces. Still, though, this relationship is not free from competition, as in some provinces the chambers appear to aim for an increase in the share of organic Codex farmers in order to minimise the influence of the organic associations (s: organic farmers' organisation representative). Finally, although organic farming organisations are not represented in the chambers because voting takes place along party lines, a few individual organic farmers have been elected to the governing bodies of the chambers as representatives of one of the parties. However, the Agriculture Chambers maintain that organic farming is but one of several ways to improve agricultural production, alongside integrated production and other changes in conventional production (Michelsen and Krongaard [unpublished]).

Gelöscht: (unpublishe

2.3 Institutional changes within agricultural policy

Overall there appears to have been a strong political commitment towards organic farming, which is still dominant in official government statements (Molterer 1999). High government commitment for organic farming was also indicated by the appearance of the Minister of Agriculture Wilhelm Molterer in a recent promotion campaign for organic farming. In addition the Ministry for Science and Transport selected the area of organic farming as a subject for the Austrian Delphi Project, seeing it as an area of high potential for Austrian leadership in technology. However, outside of the organic sector a pronounced view is that expansion of the organic sector can now only be achieved by means of the market forces (s: general farmers' organisation and agriculture administration representatives).

The first political initiative in support of organic farming came from the Ministry for Consumer Protection, generally perceived to be a stronghold of the social democrats and the labour movement which are not members of the network involved in agriculture policy. It took the form of passing an organic section in the Austrian Codex Alimentarius in 1983.

In 1986, Minister Riegler aimed to re-orient the agricultural policy towards socio-ecological objectives and saw organic farming as a means to achieve this, which led to the setting of a national target of 15-20 per cent conversion in the medium term set by the government roundabout 1992, although this target was never widely publicised (Posch 1997). The background for the re-orientation of agriculture policy was a very problematic situation for the national budget of agriculture policy, which developed in the late 1980s. In particular the negative budget implications of an over supply in milk, meat and grain paved the way for a political interest in the potential contribution of reducing production by means of promoting organic farming.

Direct public support for organic farming started in the regions of Oberösterreich, Steiermark and Niederösterreich in 1989. The first measure from the federal Ministry of Agriculture to stimulate organic farming was the introduction of grants to organic farming associations followed by a nation-wide direct conversion subsidy to producers in 1991. It was supplemented in 1992 by a programme to support organic production for existing producers. Direct subsidies were seen to be necessary in order to pay producers for the ecological benefits of organic farming, recognising that the market alone would not generate enough incentive for a larger proportion of farmers to convert to organic production (s: agriculture administrator). This has been described as the beginning of the development of an agri-environmental model of supporting agriculture (Posch 1997).

In 1994, the Ministry of Agriculture introduced in 1994 a joint label available for all those wishing to follow the above-mentioned Codex standard. The AMA administers this system. The label has, however, not been successful, partly due to the success of labels introduced by multiple retailers such as the "*Ja natürlich*"-label from the Billa-Merkur group.

Negotiations for EU membership starting in the late 1980s, intensified the need for further substantial changes in Austria's agriculture policy. As prices of agricultural produce were expected to fall drastically after EU accession, support for extensive production systems was seen as one way to avoid a heavy intensification of Austrian agriculture as a result of the price fall (s: agriculture administrator). It appears, therefore, that the EU accession was a background factor for the development of organic farming. It created a situation of uncertainty for farmers with regard to price development. Particularly in the more marginal areas, organic farming with an emphasis on regional development, and the higher rates of agri-environmental subsidies under EC Reg. 2078/92, was seen at the time as a way of escaping uncertainty both from a political perspective and for individual farmers.

2.3.1 Role of key actors in Austrian agricultural policy

In Austrian agricultural policy making in general, there are four main influential actors, the Ministry of Agriculture, the Agriculture Chambers, the co-operatives (united in Raiffeisen Verband) and the AMA (Agrar Markt Austria). All four have been characterised as rather reluctant in their support for organic farming at an early stage of development (s: most interviewees). The Agriculture Chambers in particular and the social partners in general are perceived to be relatively more important in the political process than the parliament. Furthermore, it should be noted that a closed network of the conservative farmers' association and the Raiffeisen Co-operatives dominates the chambers. Hence, conservatives have for a long period dominated agriculture policy and their general attitude to organic farming was negative. The change to a positive attitude towards organic farming in the late 1980s seems mainly to be the result of personal efforts by the conservative minister Riegeler who was able to use a wide range of good personal relationships within his party for this purpose (s: agriculture administrator).

The AMA (Agrarmarkt Austria) is charged with two functions. On the one hand, it implements the agricultural commodity support regimes and on the other hand, it organises the marketing of agriculture products. The AMA also carries out these functions for organic farming. AMA is a very important part of agriculture policy and is therefore often called a "second ministry". The AMA board includes representatives of all four social partners but it is clearly dominated by the Agriculture Chambers that has the right to nominate the members of the advisory boards for the product groups which are in charge of detailed administration (s: organic farmers' organisation and agriculture administration representatives).

Attitudes have changed during the 1990s and most actors in the ministry and the chambers now support organic farming (s: organic farmers' organisation and general farmers' representatives). However, outside of the agriculture sector these official statements are seen as representing a kind of lip service only and they do not always correspond with wide-spread attitudes held among staff in the Ministry. In fact, the view on the potential of organic farming held by the Ministry of Agriculture, the Agricultural Chambers and AMA is rather sceptical towards a policy driven expansion of organic farming as they prefer to focus on stabilising the number of organic farmers and on increasing the role of market demand. Furthermore, the general agriculture interests also emphasise that organic farming has currently reached a limit that can only expand further with the help of the market – not by policy.

2.4 Institutional changes within the food market

The most important organisations in the development of the organic food market, include the organic producer organisations (particularly Ernte), the multiple retailers (particularly Billa/Merkur) and regional marketing co-operatives, whereas the otherwise dominant co-operatives (Raiffeisen) have not had any important involvement in this sector.

The main organic umbrella organisation ARGE and its biggest member organisation, Ernte, supported a promotion campaign in 1991, which succeeded in raising the overall profile of organic farming in the Austrian media. The two organisations were also actively involved in the negotiations involving the first supermarket chain (Billa/Merkur) with organic produce in 1994 and in the organisation of producer co-operation to meet the needs of the market. As already mentioned, Ernte gives its members broad support in marketing their produce and was, alongside five other organic producer organisations, involved in the foundation of a marketing company (Ökoland Vertriebsgesellschaft m.b.H.) in 1996. In a European context, the domestic market share is high and so is the market growth (Michelsen et al. 1999). The markets for organic cereals (approx. 2 per cent of the total food market), potatoes (5-6 per cent) as well as for milk and dairy produce (8-10 per cent) are relatively well developed. The demand for organic produce is at times, and for particular products, outstripping supply. However, the situation varies considerably between products, e.g. for vegetables and fruit the demand is greater than domestic supply. This also applies for pork and poultry, whereas for beef, domestic supply is larger than domestic demand. Attempts to produce organic "convenience products" have failed, and organic lines of heavily processed food (tins, etc.) have not been successful (s: retail representative).

There are different views on how to explain the problems of the market for organic produce. On the one hand, the Ministry of Agriculture and the regional agriculture chambers tend to attribute problems to consumer behaviour (s: agriculture administrators). The organic sector, on the other hand, points to the resentment of traders and processors, particularly in the co-operative sector, in getting involved in processing, buying and selling organic commodities (s: organic farmers' organisation and retailer representatives).

2.4.1 The Role of AMA-Marketing

The AMA is legally charged with marketing support for all Austrian agriculture produce. Every farmer pays a levy and AMA-Marketing has to spend the money according to the financial share of each product. However, as the budget in many sectors is so small that no direct promotional activities for the particular product can be carried out, the major part of AMA's budget is used for general promotional activities of Austrian agricultural produce. AMA-Marketing has advisory boards for all product groups that are normally composed of representatives from the chambers and co-operatives. The establishment of an organic board by the ministry seems to have been against the wishes of AMA-Marketing (s: agriculture administrator). The organic board is composed of represen-tatives from the organic associations and not from the official chambers. This composition of the board was a precondition for the ministry to charge the AMA with the organic marketing tasks.

The AMA is also responsible for the administration of the Austrian state label of organic products – Austria-BIO – as it seems that the organic farming organisations appeared largely unable to reach an agreement on administration amongst themselves.

Although AMA-Marketing possesses the required formal competence, it does not do much to market organic products. One reason already mentioned is the low share of funding generated by organic producers. On the other hand, the organic associations accuse the AMA of not spending the entire organic budget on organic marketing. The organic sector bodies also have problems with the fact that in its promotional activities, AMA-Marketing aims to create a green image for all Austrian food and does not, in their view, emphasise sufficiently the differences between Austria-BIO products and Austrian food in general. Hence, marketing is, to a major extent, left to private actors.

2.4.2 Role of multiple retailers

Several supermarkets sell organic produce and they have played a positive role in the development of a market for organic produce, having introduced three major trademarks for organic produce ("*Ja natürlich*" of Billa/Merkur, "*Landfrieden*" of some dairies, and "*Natur pur*" of Spar). Today, nearly all major Austrian food retailers stock some organic food and have invested in promotion campaigns. The most important actor in the market is the biggest Austrian retailer, the Billa/Merkur chain. Billa's involvement started with the initiative of the owner Karl Wlaschek, who was personally committed to the development of an organic product line. Based on his emotional commitment, rather than extensive market research, the "*Ja natürlich*" label was developed in the short period of nine months with the intention of introducing a line of organic produce outside the health food sector (s: retail representative).

Billa-Merkur is now the leader in the Austrian food market and, as a first multiple to enter into this sector, gained a clear competitive advantage (AMA representative). The second biggest retailer, the Spar group, followed with a similar initiative only six months later.

Together, these two supermarket chains significantly increased the possibility for farmers to sell organic products at a premium, because the demand was able to grow alongside the increases in supply (Posch 1997). Prior to their involvement a substantial proportion of organic products had to be sold as conventional produce. Nowadays, it is only in the dairy sector that some produce continues to be sold as conventional products.

The main initiative for the development of the close co-operation between organic farming associations and the multiple retailers came from the organic sector. However, the retailers benefited through a better co-ordination of supplies and, furthermore, close co-operation with the organic producer association was seen as a means to improve the credibility of the "*Ja natürlich*" label. The co-operation between Billa and the producer association Ernte is close and characterised by both sides as very good (s: organic farmers' organisation and retail representatives).

2.4.3 The role of processing firms

Nearly all Austrian farmers are members of co-operatives, which are organised into one business corporation (the Raiffeisen Verband), which in turn is extremely important in marketing agricultural produce as it organises all trading aspects of agriculture and in many regions, in practice, constitutes an effective monopoly. Most of the dairy sector is still organised in co-operatives, while in the grain and meat sector the influence of Raiffeisen is decreasing due to changes in the market following EU accession. Still, the Raiffeisen market share for grain remains in the range of 70 per cent. In the dairy sector a few small scale dairies have started production of organic products, but the scale is very small and marketing problems considerable.

Raiffeisen is connected with the political groupings that represent agricultural interests. It is an official member of both the provincial Chambers of Agriculture and the central one. Less officially, Raiffeisen is important because the ministry appoints representatives from Raiffeisen to all agriculture interest groups such as the AMA and its advisory boards.

Initially Raiffeisen was a strong opponent of organic farming and regarded the movement as a competitor because of the original focus of organic farmers on independence from the markets. Similarly, the organic sector opposed Raiffeisen as it was seen as having extensive links with agri-business. Nowadays the relationship seems more relaxed as a result of the increased number of organic farmers in many co-operatives as well as the reduced importance of Raiffeisen in some sectors since EU accession (s: organic farmers' and general farmers' organisation representatives).

2.4.4 Development in processing and marketing

Producer organisations are found which concentrate on adapting production to supermarket sales. However, within the dairy sector a substantial proportion of milk produced on organic farms still cannot be marketed at premium prices, which the organic sector itself attributes to a lack of processing capacity. Dairy co-operatives are not willing to consider separate collection and processing of organic milk, because the majority of producers in a co-operative are non-organic, although in some areas, a sufficient density of organic producers would justify the establishment of an organic production line.

Outside the multiple retailing structure, a range of other marketing activities to sell organic produces have developed. Some, but not all are associated with the producer organisation members of ÖIG, the second largest Austrian umbrella organisation for organic farming. Erde & Saat members, for example, founded a small partnership with 12 farmers for dairy processing, and managed to re-purchase an old dairy factory. Ernte, the largest producer association, offers assistance with promotional and legal aspects of direct marketing to its members and sees the development of direct marketing initiatives as its second leg, along the development of co-operation with multiple retailers and its own marketing company Ökoland.

2.5 Changes within the institutional setting

There is no formal constitution of an institutional setting in Austria (see Chapter 1). However, based on the information referred to above it is possible to sketch out some main elements of a rather close coordination which may fill many of the functions of a formal institutional setting.

There is no formal organisation that aims to coordinate all organic food and farming organisations in Austria, as there is an ongoing conflict between the two umbrella organisations of organic producer associations. It appears that the Ludwig Bolzman Institute (research) has at times played the role of an independent broker between the different sector bodies, but this role has never been specified nor officially recognised.

Similarly, until recently, there was no specific forum with the aim to coordinate organisations and interests of organic farming with those of Austrian agriculture in general. The situation changed a little when the national organic farming committee was established under the auspices of the Conference of Agriculture Chamber Presidents.

For Austrian agriculture in general, the Agriculture Chambers are official representatives of all Austrian farmers and organic farmers are included as obligatory members. Hence, the chambers also have an obligation to represent the farming community as a whole, including organic farmers' interests.

In pursuing their general objectives, the chambers coordinate with agriculture policy and the food market. They have close formal inter-relationships with politicians and public administrators and they have formalised ties with the food market via cross-representation on several different boards with the Raiffeisen farmer co-operatives. Raiffeisen, in turn, establishes personal links between Agriculture Chambers and the boards of AMA – a semi public organisation that implements general agriculture market regulations, organises general food marketing and administers the governmental Austrian organic certification label.

The societal basis for the Agriculture Chambers is thus both in the farming community, as they are constituted by all farmers, and in the agriculture policy domain, as they are officially designated to participate in agriculture policy-making and implementation. Finally, via the links to Raiffeisen Verband the chambers have developed firm relationships with the food market.

The Agriculture Chambers appear to constitute the focal point for the institutional setting of Austrian agriculture to which organic farming has to relate in order to gain a foothold within Austrian agriculture. On the other hand, the Agriculture Chambers also have to take notice of organic farming as a substantial proportion of Austrian agriculture.

The interrelationship between organic farming and the general farming system has changed in response to the impetus of organic farming. In the 1980s, the general agriculture organisations perceived organic farming mainly as an opponent. The growth in the number of organic farms that followed the initiatives of the minister Riegler led to increasing collaboration and decreasing hostility between organic farming organisations and general agriculture organisations and the climate between the organic associations and the Agricultural Ministry and the Chambers has improved during the 1990s. There is, however, a tendency by representatives from Raiffeisen and the ministry to pass on responsibility for the further development of organic farming to the market – i.e. the consumer (s: agriculture administrators). On the other hand, the organic sector has expressed some scepticism regarding the true representation of their interests by Raffeisen and the ministry (s: organic farmers' organisation representatives).

The improvement of the interrelationship between organic farming and agriculture in general is in evidence within the Agriculture Chambers via the establishment of the organic farming committee. The members of the committee include the organic associations as well as some independent experts. In the committee, professional decisions concerning organic farming are discussed. It appears that although the chambers show a more positive attitude towards organic farming, neither the organic farmers nor their organisations perceive the chambers as representing their interests in all respects (s: organic farmers' organisation representatives).

Gelöscht: ¶

The interrelationships between organic producer organisations and the organisations of the general food market, have developed along similar lines. Collaboration has increased, it is acknowledged, but both Raffeisen and AMA find it difficult to promote products, which only have a minor market share when they bear responsibility for marketing all agricultural produce. Their present position seems to be that they no longer oppose but rather ignore organic farming. Instead, organic farming is developing its own structures of direct collaboration in the food market both with multiple retailers and with individual processing or trading firms (representative of a minor processing firm).

2.6 Summary and tentative conclusions

The formal interrelationship between organic and general farming institutions in Austria is characterised by a structural weakness of organic farming. The general agriculture network in Austria is quite narrow, characterised by heavy inter-connectedness between a few actors and structured along the general Austrian principle of social partnership with people knowing each other or knowing of each other rather than structure according to the forces of political and economic competition. In all these dimensions there is no formal place for organic farmers or their organi-sations. However, the size of the organic farming sector is so large that it seems irrelevant to interpret the structural weakness of organic farming as a result of an interrelationship characterised by competition between general and organic agriculture institutions. The interrelationship seems, rather, to be in accordance with the theoretical characterisation of *co-operation* in section 1.1.3.

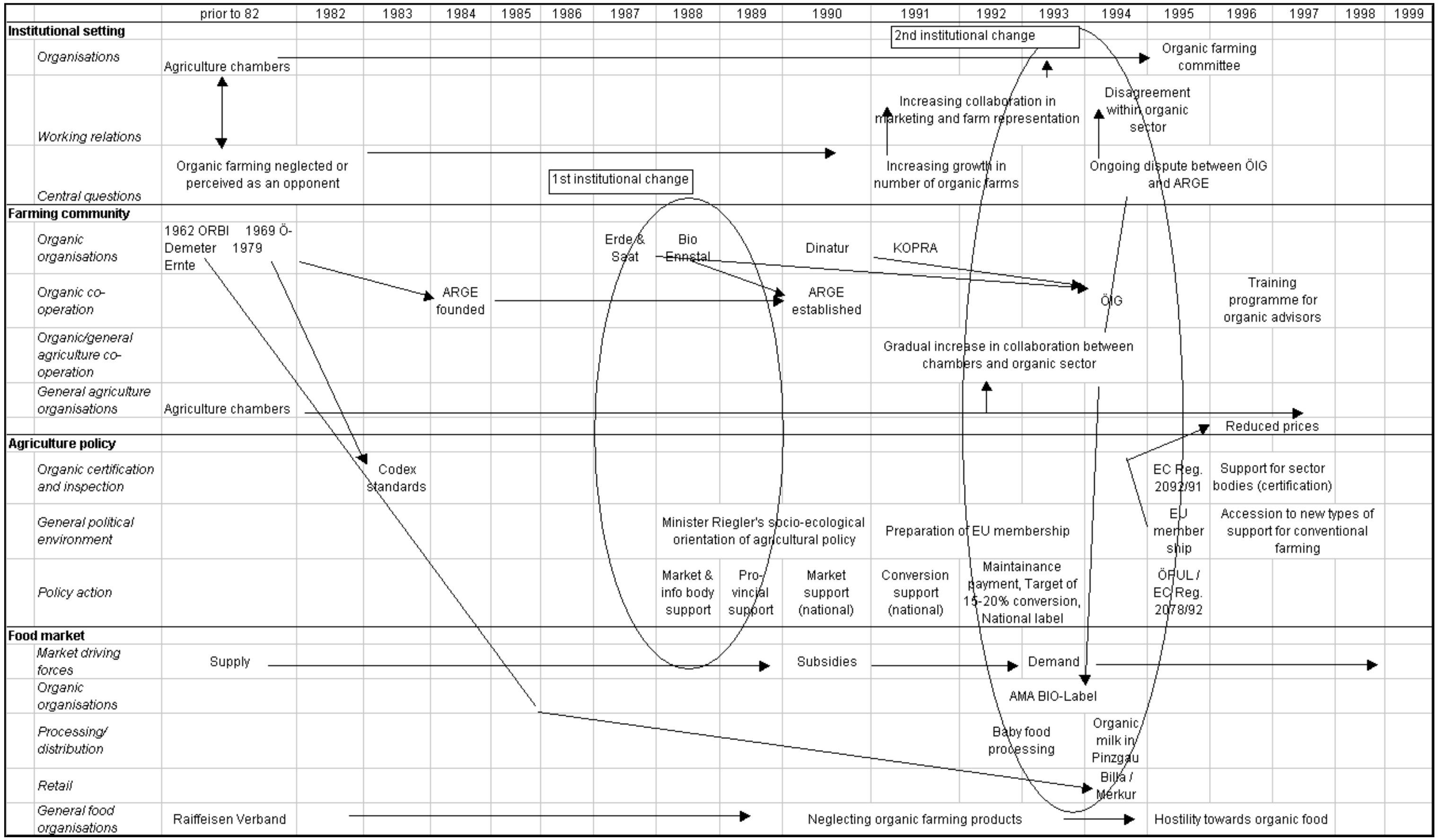
Organic farming is part of the official agriculture policy and general agriculture institutions take care of an important part of main activities within all domains – the farming community, the agriculture policy and the food market as well as the institutional setting. In each domain there are more or less overt conflicts but the most important ones seem to be those amongst the organic farming organisations. Conflicts between organic and general agriculture institutions still seem more latent than overt as general agriculture institutions during the 1990s developed a more positive attitude towards organic farming. Finally creative conflicts seem not to have developed.

2.6.1 The institutional environment

The institutional environment of organic farming in Austria is illustrated in Figure 2-2 and will be summarised here for each domain and regarding the development in time.

Within the field of the farming community the formal influence of the regional Agriculture Chambers and their national umbrella organisation appears high. Membership is obligatory for all farmers, but the particular interests of organic farmers do not appear to be well represented – although some regional variation is found. In organic farmers' associations, membership is voluntary and association membership covers 65 per cent of all organic farmers in Austria, but split into two separate umbrella organisations with incompatible strategies – mainly regarding sales of products. This split appears – up until very recently – to have impeded a joint representation of organic farmers' interests in all contexts. The interrelationship between organic producer associations and the Agri-culture Chambers varies considerably between the regions, which suggest the importance of personal relationships. Motivation to conversion changed over time. Up until the late 1980s the few existing organic farmers were motivated by conviction, but since then conversion has been strongly influenced by both the increasing availability of subsidies and uncertainty related development of agricultural policy in the light of EU accession. The largest share of organic farmers is found in the mountainous provinces of the West where it appears that grassland farmers found conversion relatively easy, due to the extensive nature of their production systems. The organic subsidies represented the first ever production-based subsidy for grassland farmers and were welcomed in regions where intensification of agriculture would be difficult.

Figure 2-2: The development of the institutional environment for organic farming in Austria 1982-1999



This characteristic led general agriculture institutions to promote organic farming as a way of obtaining public subsidies. Although general agriculture institutions introduced an organic advisory staff at the same time, their presence seems to have been less important to those who converted to organic farming without making contact with organic associations. Furthermore, the interests of these (Codex) farmers are not represented by any organisation. Finally, lack of know-how still seems a barrier to conversion for some farm types.

In the policy domain, the formal influence of the organic farming organisations is weak, as there is only limited representation in many relevant committees. The conflict between the two national umbrella organisations for organic farming has impeded joint representation of the interests of organic farmers in general agricultural institutions at national level, such as AMA-Marketing and the national organic farming committee of the Agriculture Chambers. The present representation is the result of pressure from the minister/ministry against the will of general agriculture institutions. Hence, it appears that policy-making for organic farming to some extent depends on the attitude of the respective minister and his staff and it leaves the political preconditions for organic farming development vulnerable to change. Some political commitment seems, however, to rest on the understanding that organic farming is a suitable way to maintain income for some Austrian farmers and an alternative to increasing intensification of agriculture production – particularly in the mountain regions of Austria. It appears that the EU accession provided a positive climate for considering organic farming as a serious option for Austrian agriculture, given the very restrictive situation in the EU regarding national subsidies.

Within the market domain, the largest purely organic producer organisation, Ernte, has established a leading role. However, this is mainly due to its co-operation with the main supermarket chain, Billa-Merkur, who is market leader in the whole Austrian food market and – with the support of Ernte – runs Austria's main organic label, "*Ja natürlich*". The main company responsible for processing and wholesaling Austrian agricultural produce – the Raiffeisen Verband – still appears reluctant to get involved with organic produce. To counter this attitude, organic farmers have established a few minor co-operatives and contacts with other firms, which have gained some influence in the market. Initiatives of direct or regional marketing are found but are much less important compared to multiple retailers with respect to volume of produce sold.

Despite the relatively large amount of organic farms and organic farmland, organic farming thus appears relatively weak within the institutional setting of Austrian agriculture. The networks of general agriculture are so tightly interconnected that organic *farmers* are not clearly distinguished from other farmers because of the obligatory membership of the Cham-bers. In this way the Chambers represent all farmers' interests in the farming community as well as in politics and – through the dominance of farmers' co-operatives – in the food market. On the other hand, the organic *farming institutions* are, to a major extent, excluded from the general agriculture network and have been left to develop their own networks for marketing the organic farming system and organic food, having been met by negative attitudes from the general agriculture marketing networks. The Austrian organic farming institutions have, on their side, over a long period, built up a clear identity as an organic farming movement, but their position became weakened through the establishment of two separate organic farming umbrella organisations – ARGE and ÖIG – with incompatible strategies regarding market relations. In this way, organic farming in Austria has not developed as a farming system distinct from general Austrian agriculture but rather as an integral part of Austrian agriculture. The inclusion of organic farming into Codex Austraicus in 1983 represents an attempt to establish organic farming as a distinct sector supported by policy, but only a few years later could minister Riegler promote organic farming as part of a national strategy for agricultural development. Hence, the institutional interrelationship between organic farming and general agriculture institutions in Austria environment in the period of growth in the early 1990s comes close to the situation considered theoretically in section 1.1.3 as *pure co-operation characterised by silence of differences in farming systems*.

2.6.2 Institutional change

The development of the institutional environment of Austrian organic farming is pictured in figure 2-2. The first organic farming organisations originated in the farming community and lived a relatively quiet life separate from general agriculture organisations and from the other three domains of the institutional environment. Organic farming was recognised formally in Austrian law, but it seems as if general agriculture institutions were either ignoring or in some instances opposing organic farming. The situation is characterised neither by pure co-operation nor by pure conflict but by a low level of conflict – a relevant position as organic farming only covered marginal shares of Austrian agriculture at the time.

The first major change of the institutional environment took place in the years around 1988 and involved agriculture policy. Minister Riegler wished to re-orient Austrian agriculture policy towards social and ecological goals and saw organic farming as a means of effecting change. Hence, he introduced support for organic farmers, for the organic associations and for developing the market as part of this general agriculture policy strategy. The overall institutional setting of agriculture was, however, hardly affected. The tasks of support and development of organic farming were given to the existing general agriculture organisations while organic farming organisations remained excluded. Rather than seeking political influence through joint efforts, conflicts developed among the organic farming institutions and still more organisations were established.

In any event, the number of organic farmers increased rapidly and the attitude of the general agriculture organisations became more positive. In this situation, the institutional interrelationship between organic farming and general agriculture is best understood as developing from a low level of conflict to a situation characterised as pure co-operation and near-by silence about differences in farming systems.

The second change of the institutional environment occurred around 1993 just before Austria's accession to the EU and, for the first time, market actors also became involved. Changes appeared in all domains of the institutional environment, although the changes in the institutional setting were only small. Beside the increasing number of organic farms after the first changes in the institutional environment around 1988, there also appeared an increasing number of collaborations between the general agriculture institutions and organic farming organisations, mainly within the framework of the chambers, which in this relationship represented both the farming community and a sort of overall institutional setting. By 1993, organic farming had become so strong, that it could no longer be neglected or silenced out within Austrian agriculture and hence gradually more distinct institutions appeared within the general agriculture framework, such as the AMA Bio-label. It is somewhat paradoxical that the second institutional change, which manifested organic farming growth, in 1995 was followed by a stop in the growth in the number of organic farms. The main reasons for the halt in growth seem to be a wider availability of other agri-environmental support after Austria's accession to the EU, allowing farmers to opt for other, less restrictive support schemes as well as problems in the marketing of organic food.

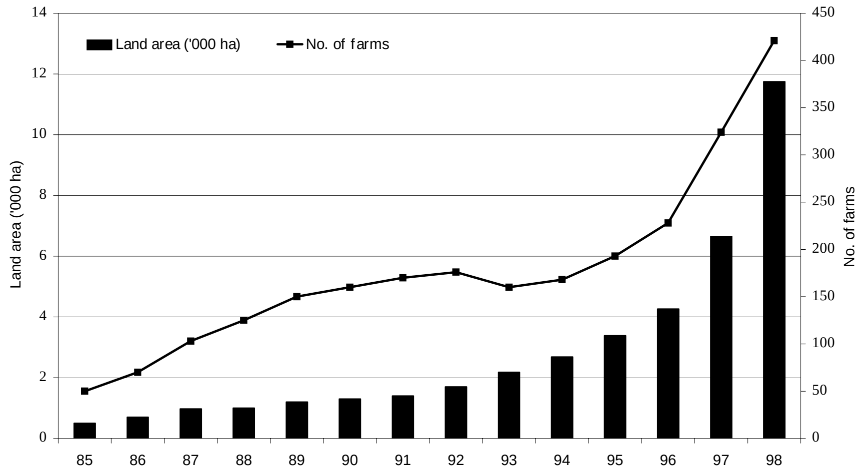
Within the theoretical framework of Chapter 1, it is possible to understand the stagnation and the reasons suggested for it as indicating a qualitative change in the interrelationship between organic farming and general agriculture institutions. It seems that organic farming could no longer be neglected and differences could no longer be silenced out – its distinctiveness could not be concealed anymore. The total effect of this may be perceived as a change from co-operation in the direction of competition. However, it is not a change to pure competition since dialogue is intensifying. The organic producers and their associations have succeeded in obtaining a broader dialogue with general agriculture institutions and market actors and have obtained better interest represen-tation while strengthening the expression of the distinct profile of organic farming. In terms of the continuum defined in section 1.1.3, the situation should then be characterised as *a change from pure co-operation in the direction of creative conflict*. It appears, however, that only part of the preconditions for creative conflict is found while others are still missing. It seems obvious that one of the missing preconditions for developing creative conflicts is internal harmony among organic farming organisations and the expected effect in terms of an increase in the number of organic farms has also not appeared. On the other hand, the dismissal of pure co-operation has not led to a decline in the total number of organic farms either.

3 Belgium[3]

3.1 Background

Belgium is one of many European countries with a comparatively small organic farming sector in which growth remained unchanged after the introduction of EU regulations in support of organic farming in 1993. The main analytical interest in studying the development of organic farming in Belgium is, hence, to find explanations for the apparent lack of impact of EU regulations in support of organic farming. This interest is reinforced by the fact that Belgian organic farming, after experiencing a period characterised by a fluctuating growth rate, has recently entered a phase of strong growth. Hence, it seems relevant to look for explanations of the change in growth pattern. Furthermore, Belgium represents a country in which organic farming is administered jointly by federal and regional administrative structures.

Figure 3-1: Development of organic land area (total and policy supported) and number of farms in Belgium from 1985 to 1998



Source: Foster and Lampkin (2000)

[3] Prepared by Kenneth Lynggaard an Johannes Michelsen in the basis of interviews carried out and summarised by Alain Coppens and Johannes Michelsen.

It appears from Figure 3-1 that the development of the organic farming sector in Belgium started with few organic farms before 1985. In the period 1985-92 the number of certified organic farms increased. The speed of conversion in terms of the annual growth rate slowed down between 1987 and 1992 and in 1993 even a decrease in the number of certified farms appeared. This early period of growth took place after the introduction of national production standards and a national marketing organisation (Biogarantie) and may be seen as the outcome of a period of autonomous growth in the Belgian organic sector. This autonomous growth, however, ran out of steam in 1991/92 when a few years of decrease and stagnation in the organic farming sector began. 1995, however, marked a turning point showing an increasing growth rate over the remaining period of time considered. Interviewees identify the main explanations for this upturn to be the implementation of EC Reg. 2092/91 in 1993 along with regional support for demonstration farms in Wallonia. EC Reg. 2078/92 was not implemented until 1995 but expectations of its implementation and, hence, the first introduction of subsidies paid to organic farmers, affected the rate of conversion from 1994 onwards. Only recently, growth has begun in the other main region of Belgium, Flanders.

3.1.1 Main questions for the in-depth study

Against this background, four main issues were of special interest in the in-depth study. The first issue is the apparently strong co-operation between a multitude of organic farming organisations within the organic farming sector and a simultaneous lack of communication between organic farming organisations and general agriculture institutions. Hence it was asked whether the slow development of organic farming in Belgium could be explained by a lack of institutional interrelationships. This issue was analysed specifically within the farming community because of a change in attitude of the largest Flemish (general) farmers' union, the Boerenbond, in the late 1990s, which followed an increase in the number of Flemish organic farmers. Regarding agriculture policy, the analytical focus was on problems of administrative co-ordination and power distribution both between federal and regional administrative bodies and among regional administrations themselves. As far as the food market is concerned, a major problem appeared to be the failure of obtaining co-ordination and co-operation between producers, processors and distributors of organic food, which seemed to be of especial importance in Flanders.

Finally, it was asked why the very existence of an umbrella organisation like the Biogarantie had not led to successful organic farming policies in terms of organic farming growth. Four in-depth interviews were carried out[4].

3.1.2 General development and regional differences in the organic sector

The certified organic and in-conversion land area in Belgium is, as it appears from Table 3-1, almost exclusively used for grassland and arable crops. The land area for arable crops is significantly higher than the EU average.

Table 3-1: 1996 certified organic and in-conversion land area by crop type as a percentage of total certified organic and in-conversion land area

Country	Arable	Horticulture	Grassland	Other
Belgium	28.49	10.09	61.39	0.02
EU 15	18.65	8.19	55.38	17.78

Source: Foster and Lampkin (1999).

Table 3-2: Standard gross margin and public support premium for organic farming distributed on crop types

Crop types	Standard Gross Margin (BF/ha)	Premium for organic farming (BF/ha)	Premium for organic farming (%SGM)
Soft wheat	43 720	4 500	10%
Barley	33 140	4 500	14%
Market gardening crops	457 050	12 000	3%
Grassland	30 950	7 000	23%
Perennials and fruits crops	317 050	30 000	9%

Source: Coppens (1997)

Gelöscht: *Réunion sur développement de l'agr biologique, Bruxelles .*

Table 3-2 shows that support for different crop types varies widely, most notably, for organic farming support on grassland, which is 23 per cent higher than the Standard Gross Margins. This gives a good explanation of why the land area used for grassland is above EU average in Belgium.

There are major differences regarding the structure of organic farming between the two regions Flanders and Wallonia as shown in Table 3-3. In Flanders, farm economy seems less favourable for conversion to organic farming. This is due to a high distribution of intensive and specialised

[4] The respondents include a representative of the Wallonian organic extension service CARAB (Wallonian organic extension representative), a representative of the Flemish general farmers' union the Boerenbond (Flemish general farmers' representative), a representative of the Flemish inspection and certification body BLIK (Flemish organic certification representative) and a representative of the Flemish extension service BLIVO (Flemish organic extension representative). Due to the fact that the interviews took place at the time of a political crisis produced by the findings of dioxin in Belgian food, it was not possible to carry out a planned interview with a centrally placed federal administrator. A few comments to a draft version of this chapter were received from a federal administrator of the Federal Belgian Ministry of Agriculture (federal agriculture administrator). All interviews were carried out on the 10 and 11 of June 1999.

types of farming in Flanders, which would call for major adjustments in the case of conversion to organic farming. In addition, soil prices are high in Flanders. Neither the level of current support payments nor the prices on organic products are sufficient to counteract these conditions. In practice, the support provided through EC Reg. 2078/92 was therefore in favour of Wallonian types of farming as – on average – farms in Wallonia cover larger areas, use more land for grass and, in general, have more extensive farming practices than in Flanders.

Table 3-3: Total converted and in-conversion land area and number of organic farms from 1993 to 1997 in Flanders and Wallonia

Region	Flanders		Wallonia	
Year	Land area (ha UUA)	Number of farms	Land area (ha UUA)	Number of farms
1993	n.d.	87	1 923	73
1994	640	95	2 043	73
1995	739	100	2 656	93
1996	791	102	3 470	126
1997	820	107	5 598	184
1998	n.d.	112	n.d.	309

Sources: Ministére des Classes moyennes et de l'Agriculture(1998).

3.2 Institutional changes within the farming community

3.2.1 Organic farming organisations and their interrelationships

Two separate organisations carry out organic extension services in the two main Belgian regions. BLIVO carries out services in all Flemish provinces, whereas CARAB services farmers in Wallonia. Both were founded around 1995 and both are financed through the funding of demonstration projects in accordance with EC Reg. 2078/92. BLIVO and CARAB seek to promote the conversion to organic farming by informing farmers about organic farming practices and their advantages and disadvantages. This involves monitoring of experienced organic farms, writing and dissemination of documents about these farms (technical reports, articles, etc.) and organising various activities such as visits, open days, technical demonstrations, conferences, symposiums, etc. BLIVO and CARAB are both non profit-making associations with separate budgets. They work independently from each other but have friendly relations and exchange information within the framework of the Bioforum organisation. On the board of BLIVO, both the regional and federal governments are represented as well as people from an experimentation station in organic farming, the PCBT.

BLIVO rose out of BLIK, the Flemish organic farming certification body when BLIK obtained the official accreditation as body of inspection and certification. Due to an increasing demand for an advisory service, BLIVO established BioConsult in January 1999. BioConsult sells extension services, which consist of technical advice, economic calculations on the consequences of conversion and financial plans for the actual conversion. Currently, around 60 farmers use the services. In addition, BioConsult seeks to make the market for organic products more transparent for organic farmers by helping them to price their products and aiming at establishing contacts between organic farmers and processors and/or distributors of organic products. Within the Belgian organic farming community it is considered that

Gelöscht: ¶

"BLIVO and BIOCONSULT are "informing" farmers about converting but they are not "convincing" farmers to convert" (source [future abbreviation s:] Flemish organic certification representative).

Hence, these organisations are seen as merely neutral, rather than proactive, organisations. In Wallonia, CARAB has not initiated anything to match BLIVO's establishment of BioConsult and there still seems to be a lack of capacity on individual advice to converters in this region (s: Wallonian organic extension and Flemish organic certification representatives). This seems, however, not to have hampered the development of organic farming in Wallonia.

BLIK and ECOCERT are private certification and inspection bodies located in Flanders and Wallonia respectively. The former acts as certifier for the Dutch ECOLOGO whereas the latter is part of a network, which also operates in France, Italy, Portugal and Germany, as well as in other countries. BLIK and ECOCERT are the only registered certification and inspection bodies for EC Reg. 2092/91 under the Belgian Federal Ministry of Agriculture and the fact that they are private is seen as increasing their credibility (s: Flemish organic certification representative). Along with BLIVO and CARAB, ECOCERT and BLIK collaborates with Test-achat, the most important consumers' organisation in Belgium. BLIK has an advisory board giving advice on the inspection and certification system. It includes representatives of organisations of organic farmers, organic processors and of consumers.

Gelöscht: ¶

There exist two organic farmers' unions in Belgium, UNAB in Wallonia and Belbior in Flanders. The head of BLIVO attends certain meetings in Belbior and a co-operation exists between the two on specific topics. Although, a representative from BLIVO does not see their organisation as a significant actor in developing the organic sector (s: Flemish organic extension representative) it has supplied Belbior with analyses of organic farming. In relation to the implementation of the EU Nitrate Directive (through the Mest Aktie Plan), BLIVO has supplied Belbior with research to be used for political influence. Belbior has, however, not been very active as a lobbyist. A demand for higher subsidies for vegetables and fruit submitted in the beginning of 1999 was neither the work of Belbior, nor the work of Bioforum (see section 3.5 below) but emanates from BLIVO. In general, however, organic farmers' unions seem more to take on the role of official representation of the organic farmers concerning the negotiations of subsidies, regulations, and farming methods than to

Gelöscht: ¶

offer direct services to their members (s: Wallonian organic extension representative).

The co-operation between BLIVO and Belbior seems subject to a recent improvement due to the employment of a person in 1998 specialising in communication. Co-operation is considered to become increasingly significant in the future (s: Flemish organic certification representative). The relationship between Belbior and the Wallonian farmers' union, UNAB, seems to involve a disparity in understandings and approaches relating to the differences in farming practices:

"The two organic farmers' unions are not always on the same wavelength (...). Currently, there is a demand to extend the support programme with lower support for grassland, which affects the Walloon producers but has a much lower impact on the Flemish producers, and higher premiums for vegetables, which affects the producers in the opposite way" (s: Wallonian organic extension represen-tative).

The organic farming community is very much organised along regional lines. Within each region, there are links of co-operation between certification and inspection bodies, extension services and organic farmers' unions and these links seem to have been tightened up over the last 2-3 years. Between the regions, such links seem non-existing or – at best – they are only sporadic. Again this seems due to a high degree of variation in the perception of organic farmers' interests in Flanders and Wallonia, respectively. At the federal level, however, some co-operation does seem to take place.

3.2.2 Organic and general farming interrelationships

The general position of agriculture in Belgium has been increasingly plagued by a series of scandals. In the 1990s this was illustrated by cases concerning illegal use of hormones (1994), the BSE outbreak (1996), the killing of the veterinarian Van Noppen, allegedly by a so-called hormone Mafia (1997) and – most recently – the finding of dioxin in Belgian food products (1999). These scandals hit Belgian agriculture in general while organic agriculture was excluded from them. Up until 1999, the food scandals seem, however, not to have had any direct impact on the Belgian farmers' propensity to convert to organic farming. They seem rather to have contributed to changing the general climate more in favour of organic farming as reflected in a change of attitude by the major farmers' union in Flanders, the Boerenbond. The scandals in 1999 seem, on the other hand, to have had an immediate impact on Belgian farmers. The dioxin crisis pushed some otherwise hesitant farmers to convert while other non-organic farmers have searched for information regarding the development of a lower risk type of food production (s: Flemish organic extension representative). Still, this is not documented in available data (end of 2000) on the number of organic farmers.

The Boerenbond is the most important general farmers' union in Flanders as it organises more than 50 per cent of Flemish farmers and has the most political influence (s: all respondents). Most members of

Gelöscht: ¶

Gelöscht: ¶

Gelöscht: ¶

the Boerenbond run medium-sized to big farms whereas the competing union (ABS, Algemeen Boeren Syndicaat) organise mainly those farmers with small or medium-sized farms. In 1993, the Boerenbond was clearly against support for organic farmers as part of the implementation of EC Reg. 2078/92 (s: Flemish general farmers' representative). In 1998, however, the Boerenbond decided to invest in organic farming through the PCBT (experiment station in organic farming) as well as – in 1999 – instructing an employee to work full-time as an advisor in organic farming. The change of attitude had been in evidence since 1996 when the leadership of Boerenbond felt inclined towards organic farming by the fact that still more farmers were considering conversion. Hence, the Boerenbond is engaging in organic farming in response to a potential demand from their farmer members (s: Flemish general farmers' representative).

The new position as organic farming advisor within the Boerenbond has the function of establishing contacts with organic farming organisations and to deliver general information on organic farming to its members and also to give them advice on the economic feasibility of conversion to organic farming. The employment of one expert on organic farming both reflects the start of a change in attitude and a wish to take forward this change in thinking within the organisation (s: Flemish general farmers' representative). Thus, Boerenbond does not want to dominate the organic sector and, for certain types of information the organisation even direct farmers towards better informed (i.e. organic farming) organisations, such as BLIVO. However, co-operation or contacts between Boerenbond and organic farming organisations have not yet been formalised.

Gelöscht: ¶

Boerenbond is part of a group of agriculture organisations which includes several companies involved in insurance and banking as well as selling artificial fertilisers, pesticides, feed and agricultural machinery along with firms involved in processing and distribution (s: Flemish general farmers' representative). This relationship, along with well publicised, critical comments that Boerenbond has made about organic farming, has contributed to organic farming organisations meeting Boerenbond's change of attitude with some reservation. It is described as follows:

Gelöscht: ¶

"*There is no promotion at all from conventional organisations towards their members to convert. The Boerenbond organisation began only recently to change and may start promotion. They have someone doing consultancy – but trying to convince farmers, I don't think so...*" (s: Flemish organic certification representative).

The Boerenbond organisation does in fact take part in the promotion of organic farming but within the organic farming community there are some expressions of apprehension and concerns of being knocked down by the so called conventional sector, leading to a dilution of organic production standards (s: Flemish organic extension representative). Hence, the view of Boerenbond's activities in organic farming is that they were started because

"*everything that has a market is interesting for Boerenbond*" (s: Flemish organic certification representative).

Although the Boerenbond organisation has been dismissive vis-à-vis absorbing the organic sector, the Belbior seems to have reacted against the involvement of Boerenbond by tightening up the links with BLIVO.

In Wallonia, the collaboration between organic and conventional organisations is limited to specific and sporadic actions. General farmers' unions are, for example, defending organic farmers on the issue of taxation of subsidies, attending certain meetings with organic farming unions and organising information sessions on organic farming, etc. These activities are, however, not being expanded to a global and continuous programme of actions (s: Wallonian organic extension representative). For instance, unlike the involvement of Boerenbond in the Flemish organic experimentation station, only organic farming organisations participate in the experimentation centre in Wallonia. General farmers' unions in Wallonia are thus ready to participate in meetings and other collaborative ventures but reluctant to finance organic projects. A representative of the Wallonian organic extension service interprets this as showing the limitations of their interest in organic farming.

Gelöscht: ¶

To sum up, there is a clear separation of organic farming organisations and general farming organisations. On the one hand, supporters of organic farming reproach general farming organisations for being disinterested in, or even hostile towards, organic farming. On the other hand, Boerenbond only recently attained a friendly attitude towards organic farming and it is met with some suspicion by organic farming organisations that attempt to tighten up their own regional networks.

Gelöscht: ¶

3.3 Institutional changes within agriculture policy[5]

The Belgian policy on organic farming started in the late 1980s when the federal Ministry of Agriculture contacted Biogarantie and recognised organic farming as part of Belgian agriculture. Today the main aim of the national Belgian policy on organic farming is to support the development of this type of farming system. Hence, the three main elements of the policy are to support organic farmers via: a) demonstration projects, training and research b) certification and control in accordance with EC Reg. 2092/91 and c) income support paid to farmers according to EC Reg. 2078/92 as Belgium had not previously given any financial support at the national level, specifically aimed at organic farmers. Among leading politicians as well as among leading administrators there is no uniform attitude towards organic farming. At the level of federal agriculture ministers, Karel Pinxten, who withdrew after the 1999 general election, was openly in favour of organic farming, while his successor, Jaak Gabriels, is somewhat more guarded in voicing his views. Among the administrators there is no agreement as to the position to be taken towards organic farming. Some officials are in favour of organic farming, while others are more sceptical. The main motivation among

[5] Interviews were carried out in 1999 when the political crisis regarding dioxin in Belgian food peaked. Hence, it was impossible to carry out a planned interview with a centrally placed federal administrator. A few comments to the draft report from a person responsible for administration of organic agriculture issues in the Federal Belgian Agriculture Ministry is included in the text.

administrators in favour of organic farming goes beyond a mere attempt to restore agriculture's image in view of the scandals regarding food quality and the environmental consequences associated with farming in Belgium during the 1990s (s: key informant and interviewer Alain Coppens).

3.3.1 The regional/federal administration interrelationship

The general division of Belgian administration between federal and regional authorities had a direct impact on the implementation of EC Reg. 2078/92. The implementation was decided on directly by the ministry without involving parliament. However, insecurity regarding whether it should be administered at the federal or regional level delayed implementation until 1995. Ultimately, organic farming support became administered at the federal level while most other agri-environmental policies were administered at the regional level. This separation of organic farming policy from other agri-environmental policies has some implications for the working of and hence – potentially – for its effect on farmers' propensity to convert.

On the one hand, the existence of two administrative levels represents a series of administrative problems specific to the organic sector. Firstly, access to subsidies is difficult in some instances due to the existence of regional ceilings regarding the total amount of support paid to farmers, which includes organic farming support. Another disadvantage is illustrated by the Belgian implementation of the EU Nitrate Directive in the regions. The directive restricts the use of manure but the use is measured in such a way that it presupposes the use of artificial fertilisers in all farms although this by definition is not relevant for organic farms. This automatic inclusion of artificial fertiliser has limited the potential for organic farming conversion not least among intensive pig and cattle farms found in Flanders. Hence, some examples exist of lack of co-ordination between federal and regional legislation, but, according to the administrator of organic farming support in the federal agriculture ministry, these problems are not typical as there is a clear division of duties between federal and regional levels. The main fields of double administration involve support for demonstration projects, and training and research (s: federal agriculture administrator).

Gelöscht: ¶

Secondly, the two administrative levels, in some instances, require a duplication of political contacts from organic farmers' organisations to the public administration. Even in this instance, however, this may not imply disadvantages for organic farming because of the lack of a uniform attitude to organic farming within the agriculture administration. Hence, dupli-cation of contacts may open up more opportunities for pursuing organic farming goals (s: federal agriculture administrator). Thirdly, the two main Belgian regions are very different in terms of farm structure and type of production. The interests of the organic farmers of the two regions are sometimes divergent and this has led them to pursue different goals. This also forms the background for developing quite separate regional lobbying structures.

Gelöscht: ¶

On the other hand, the administration of organic farming issues at a federal level may also pose a series of advantages to organic farming. Firstly, the premiums and the conditions of production are equal in both regions. Secondly, any conflict about certification that may arise between the two certification bodies is solved at a federal level through a technical commission including representation from the umbrella labelling organisation Biogarantie (see section 3.5 below) and the Ministry of Agriculture. Thirdly, the claims of the sector to the public authorities are well transmitted and carry more weight thanks to the federal political representation of the sector through Biogarantie. This interrelationship has developed since the beginning of the 1990s from an informal discussion forum between the organic farming sector and the federal ministry to an official forum established in 1999, which includes all kinds of organisations interested in organic farming. Finally, for the consumers, it is important to have a clear message about organic products and the uniformity of quality whatever the regional origin of the product.

Gelöscht: ¶

In summary, the two-level administration of organic farming in Belgium has meant a clear disadvantage for organic farming by delaying the implementation of the first support for organic farmers. Apart from this, it appeared impossible to find agreement among the Belgian interviewees in assessing whether the two-level administration has mainly positive or negative effects on the spread of organic farming in Belgium. It is clear, however, that organic farming has not been administered on exactly the same basis as other agri-environmental policies. Most recently, a decision was made to transfer the authority over agriculture policies to the regions. This indicates that there might have been problems related to the two levels of administration.

Gelöscht: ¶

3.3.2 The regional administration

The two main Belgian regions differ strongly regarding support for organic farming. The Wallonian region demonstrates a more positive attitude than Flanders. Wallonia has given some (minor) financial support to organic farming projects while that never happened in Flanders. Likewise, the EC Reg. 2078/92 support for organic farming was carried out in Wallonia before it was extended to the federal level. In addition, the overall level of support received by farmers is very different between the two regions as a reflection of the structural differences of farms in the two regions. Wallonia is characterised by so called extensive farms, i.e. relatively large, mixed or cattle breeding farms, including large areas of grassland (and crops) which receive high subsidies. Conversely, Flanders is characterised by small, intensive livestock and horticulture farms characterised by relatively large areas of land used for growing vegetables and fruit which receive very low subsidies (see Table 3-3 above). Hence, conversion to organic farming in Wallonia is, to a large extent, based on subsidies as some 90 per cent of the total volume of EC Reg. 2078/92 support to organic farming is distributed among Walloon farmers. In Flanders, on the other hand, conversion is mostly based on market demand and hence conversion is hampered by economic problems stemming from the two-year conversion period where farmers cannot obtain price premiums for organic products.

Regional differences are even found regarding the discussion on organic production standards. For instance, Flemish producers promote a more intensive view on production standards on poultry and

"even if both regions agree about organic feed, Flemish producers would prefer fast growing chicken breeds and produce young table chickens with low fat whereas in Wallonia the spirit is close to the French label:13-14 week old chickens with less intensive breeding" (s: Wallonian organic extension representative).

Gelöscht: <#>¶

3.4 Institutional changes within the food market

On the basis of food market organisations such as Velt in Flanders and Biogarantie at the federal level, many marketing initiatives have been taken since 1985 – mainly from the consumers' point of view (s: Flemish organic certification representative; Boulanger 1994). However, also in the domain of the organic food markets, the dynamics of the regions of Flanders and Wallonia vary widely. There is a general lack of organic supplies in Flanders, whereas in Wallonia, the main problem is lack of processing and distribution facilities.

Gelöscht: ¶

In Flanders, a few processors and distributors seek to push forward production in their attempts to satisfy consumer demand. The lack of supplies is due to the low impact of subsidies on the propensity of Flemish farmers to convert. Due to the low production levels and the fact that farmers are spread rather evenly across the region, costs of processing and distribution are high. In order to counter this problem BioConsult is trying group the producers and establish contacts with processors and/or distributors (s: Flemish organic certification representative).

Gelöscht: ¶

In Wallonia, the public support is able to drive the growth of organic food production. Hence, production needs to find a market. Distribution channels are emerging along two different paths of development. First, within dairy and beef production a specialisation of a single part of the market chain (processing and wholesaling respectively) at regional level has taken place. This has offered good opportunities to protect producers' interests and obtaining advantages in terms of price negotiation with distributors – not least because the demand for organic meat is far from satisfied. Secondly, attempts to cover several parts of or the whole market chain has risen, mainly on a local scale. Direct sale to consumers is mainly taking place from small farms (s: Wallonian organic extension represen-tative).

3.5 Changes within the institutional setting

The Biogarantie was founded in 1987 as an umbrella organisation for the organic sector as well as a trademark for organic products that would gather all previous labels under one name. Since then, Biogarantie has represented the organic farming sector on the basis of membership of organic organisations from both Wallonia and Flanders, including farmers' organisations (BELBIOR and UNAB), organisations of processors and retailers (PROBILA-UNITRAB), consumer organisations (VELT and Nature et Progrès), inspection and certifying organisations (BLIK and ECOCERT), extension organisations (CARAB and BLIVO) and a professional union of diet/healthy food shops (NAREDI). Although Biogarantie includes organisations belonging to both the farming community, the organic food market and the agriculture policy domains, it seems unsuccessful in performing a function of co-ordination between regions and domains. Its major influence seems to rest with influencing the implementation of organic farming policies at the federal level.

Gelöscht: ¶

Up to 1999 the Biogarantie had a dual function of, on the one hand, developing organic farming and, on the other hand, improving the representation of the organic farming sector towards public authorities. It seems that less priority was given to the development of organic farming standards and control (s: Flemish organic extension representative). In 1994, Michel Boulanger of Biogarantie stated that problems in relation to the marketing of organic products had been solved thanks to EC Reg. 2092/91 and the label of Biogarantie (Boulanger 1994). According to Boulanger, the following five years ought to be devoted to improving communication with consumers as well as with producers. Boulanger described organic products and the control mechanisms used to be of a high quality (although lacking in resources) and saw it as a matter of urgency to create a broader public awareness of organic products and production (Boulanger 1994). In 1999 – when the five years mentioned by Boulanger had passed, it seemed that a certain degree of public awareness about organic food and that consumer demand for organic products had risen. In relation to the communication to producers, however, the concept of organic farming is mainly brought to farmers (as potential converters) through the general media and the presence of organic products in supermarkets (s: Flemish organic extension representative). This has not appeared sufficient to increase conversion rates, in order to cover the domestic demand for organic food.

Gelöscht: ¶

Biogarantie seems to have been rather successful in the aim to represent the organic sector towards public authorities by simply collecting the views of the organic farming organisations. Biogarantie has been described as an important representative of the organic sector *vis-à-vis* the federal Ministry of Agriculture as well as towards international actors such as IFOAM and the EU, who demand opinions on behalf of the sector as a whole rather than of each individual organisation (s: Wallonian organic extension representative). The importance attached to the Biogarantie by the Ministry of Agriculture is clearly evident in the following quotation:

"Apart from one experience linked to the definition of the organic animal production standard, the Federal Ministry has always asked the opinion of the organic sector, not the conventional sector. During these negotiations, the sector of the animal feed producers has intervened. They were consulted and quite quickly, one realised that the public administration did not have sufficient knowledge about the regulation

on organic vegetable products and the Ministry became aware that it had to carry out negotiations with the organic sector" (s: Wallonian organic extension representative).

Biogarantie has in particular contributed to the agriculture policy regarding knowledge on control and technical issues. In addition, the organic farming sector has attained access to political parties through Biogarantie's close relationship with the CVP (Social Christian party) and the SP (Socialist party) and is viewed to have a great deal of influence on policy formulation. Additionally, the role of Biogarantie is to facilitate dialogue between the member organisations whenever the sector has to take a position in respect of a particular issue. In 1999, Biogarantie was split into two formal organisations as Bioforum was organised in order to take over the role as lobbying organisation *vis-à-vis* public organisations and political parties. At the same time two regional Bioforum chambers were established to take care of political contacts at the regional level as it had become clear that the interests of organic farming in Wallonia and Flanders did not overlap and sometimes even conflicted. In general,

"It is true however that towards conventional farmers' unions, neither Bioforum nor any other organisation has worked to build up a collaboration [with organisations from conventional farming – editors' insertion]. In Flanders, it is slightly different because the Boerenbond is at the base of the experimentation centre in organic farming and some conventional organisations are also taking part in this project…" (s: Wallonian organic extension representative).

Gelöscht: ¶

3.6 Summary and tentative conclusions

In spite of a long tradition of organic farming in Belgium and the many organic farming organisations there are very few organic farms. Growth is found mainly in Wallonia based on public support for conversion, while Flemish farmers are less inclined to convert because their types of farms are only eligible for obtaining minor financial support and hence these farmers have to rely strongly on earning sufficient incomes through price premiums on organic food products. This is difficult because the market for organic food is not very well developed. The main themes of the study have been to investigate the extent of development within the four domains of the institutional environment of Belgian organic farming and the findings are summarised below. The general finding is that the organic sector in Belgium has developed quite separately from general agriculture institutions. The many organic farming organisations perform different tasks with only minor co-ordination activities across the two main regions and communication with general agriculture institutions being almost completely absent. Hence, in terms of the theoretical considerations of Chapter 1, the interrelationships between Belgian organic farming and general agriculture institutions must be characterised by pure competition.

3.6.1 The institutional environment

The institutional environment of Belgian organic farming is pictured in Figure 3-2 and will be summarised here. Within the farming community domain, one separate network of organic farming organisations has developed in each of the two main regions. Each organisation covers separate aspects and they have some relationship with other organic farming organisations whereas the interrelationships with general farmers' organisations are poor. General farmers' organisations meet organic farming with indifference or hostility, which in Flanders took the form of intense opposition to the implementation of EC Reg. 2078/92 from the largest Flemish general farmers' union Boerenbond in 1993. During 1996, however, the attitude of Boerenbond began to change as evidenced by some informal co-operations with organic farmers' organisations, investments in organic projects and – in 1999 – the employment of an expert on organic farming. This marked a change towards a friendlier attitude within the most important general agriculture organisation. Boerenbond's change of attitude is, however, met with scepticism among organic farming organisations. Hence, some more or less self imposed segregation on the part of organic organisations remains in force.

Gelöscht: ¶

		prior to 82	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Institutional setting																				
	Organisations					1st Institutional change		**Bio-garantie**												**Bio-garantie/ Bioforum**
	Working relations																	3rd Institutional change		**Official forum for discussion**
	Central questions														2nd Institutional change					**Regional chambers**
Farming community																				
	Organic organisations	*Blik* Nature et Progrès/Ass. des produc. Bio-dynamic-ques				UNAB *Belbior*								CARAB		*BLIVO* Nature et Progrès & CARAB split. ECO-CERT				**BioCon-sult**
	Organic co-operation																			
	Organic/general agriculture co-operation															Test-achat *PCBT*				
	General agriculture organisations	*Boeren-bond* *ABS*												*outspoken opposition to organic farming support*			*increasing sympathy for organic farming*		*Employing organic specialist*	
Agriculture policy																				
	Organic certification and inspection													**EC Reg. 2092/91**						
	General political environment							**CVP & SP**							**Hormone Scandal**		**BSE**	**Veteri-narian killed**		**Dioxin crises**
	Policy action					1st Institutional change		**Recognition of Biogarantie by Fed. Ministry of Agriculture**						**Ministry resolves certification conflicts**		**EC Reg. 2078/92**				
Food market																				
	Market driving forces		**Demand covered via imports**													Subsidies in Wallonia				
	Organic organisations	*Velt*						**Bio-garantie**												
	Processing/distribution							**Certification commission**												
	Retail																			
	General food organisations																			

Note: Normal: Wallonia; *Italics: Flanders*; **Bold: Both regions**

Within the domain of agriculture policy some problems were identified which relate to the existence of two administrative levels – a federal level in charge of legislation concerning organic farming and a regional level focusing on agriculture and environmental issues. Difficulties in deciding the appropriate level of administration for organic farming support did, in fact, delay the implementation of organic farming support. The two-level administration may have caused other problems of implementing organic farming policy as well, as federal decisions had to be in accordance with the law on agriculture and the environment in both main regions, which are very different. Moreover, the administration of public support for organic farming has been separated from the administration of the other parts of agri-environmental policy, which have also been administered by regional authorities. This has made communication between organic agriculture policy and other agri-environmental policy and administration difficult.

The separation of the administration of organic farming from the administration of most other agriculture issues has contributed to the segregation of organic farming from general agriculture institutions. Problems of administrative co-ordination and distribution of power were also found at the level of parallel regional administrations. Distinct organic farmers' organisations, certification and inspection bodies, extension organisations and consumer organisations operate in both Flanders and Wallonia. However, the fact that organic farming policy has been administered at the federal level has had certain advantages, by enabling the promotion of organic farming interests at the central level, should resistance be met at the regional level. In support of this function a separate advisory board, including all kinds of organic farming organisations, was established in 1999 within the federal Ministry of Agriculture. Furthermore, organic production standards and subsidies have been similar in the two regions and conflicts on certification between the certification bodies in each region were solved at the federal level. Only recently was organic farming policy authority transferred to the regions and this may in the future strengthen both the regional segregation and co-operation between organic and general farming organisations.

Regarding the food market, many minor initiatives have been taken, including marketing development projects. The markets are very different in the two main regions. In Wallonia, organic farmers have made some investments in processing and wholesaling on the basis of their own growing supplies. In Flanders, only few initiatives can be found performed by traditional food firms and based on consumer demand. Processing capacity is lacking on several product lines because of the very small supply of organic products.

Within the overall institutional setting, the existence of organisations like the Biogarantie and – from 1999 – the Bioforum, makes it reasonable to expect a high level of collaboration across all institutional domains. This was, however, only confirmed by the interviews for interrelations within the organic farming sector, while only few contacts with non-organic organisations have developed. Until the beginning of 1999, Biogarantie was acknowledged both for its organic label and also for being the most representative and widely recognised organic farming organisation in both regions of Belgium as well as at the federal level. Thereafter, Bioforum took over the function of umbrella organisation with responsibility for organising organic farmers' unions, processors, retailers, consumer organisations, inspection and certification bodies, and extension organi-sations – as well as being the union for diet and health shops. Co-operation between Biogarantie/Bioforum and the Ministry of Agriculture has developed well and Biogarantie/Bioforum also has access to political parties. However, neither Biogarantie/Bioforum nor any other organic organisation has up until now been able to enter into a beneficial dialogue with non-organic organisations.

Gelöscht: ¶

All in all, there has for a long time been a clear identity of organic farming in Belgium, manifested in 1987 by the establishment of Biogarantie, which has continued its activities following the implementation of EU regulations. On the other hand, there seems to be little to no communication among organic and general agriculture institutions across the remaining three of the four domains of the institutional environment of Belgian organic farming. Within the organic farming community, agriculture policy and organic food market there is a certain but relatively low level of co-operation among organic farming organisations and there are clear regional lines of division between the organic sector in Wallonia and Flanders respectively. Regarding contacts with general agriculture institutions, there are none in Wallonia and only very few and weak ones in Flanders within the farming community domain as well as within the domains of agriculture policy and the food market. In spite of many initiatives taken to further the development of the organic sector – in particular initiatives directed towards the organic market – they have not been successful in terms of a growing number of Belgian organic farmers. Hence, it is reasonable to characterise the institutional interrelationship between organic farming and general agriculture institutions in Belgium as close to the situation considered theoretically in section 1.1.3. as *pure competition*.

3.6.2 Institutional change

The development of the institutional environment is pictured in Figure 3-2. It shows a fragmented picture with few interrelationships between the four domains and with no institutional change involving all four domains. Prior to 1982 organic farming organisations were established in the food market and the farming community in both main regions. The first institutional change took place in 1987 and involved three of the four domains as it was only within the farming community that institutional change was lacking. The change involved the establishment of Biogarantie as an umbrella organisation across regions including a joint label and certification commission and a lobby organisation. In addition, Biogarantie was soon recognised as representing organic farming by the Ministry of Agriculture. Hence, this change marks the establishment of a general Belgian organic farming movement with political support and contacts in all four domains but clearly separated from general agriculture institutions not least within the farming community. Hence, the interrelationship with general agriculture institutions is characterised by competition, although general farmers' organisations, such as the Boerenbond, expressed a rather indifferent attitude towards organic farming at the time. The change was followed by only minor growth in the number of Belgian organic farms in the following five years.

The second institutional change took place about the time of the actual implementation of the two EU regulations on organic farming and involves the farming community and agriculture policy domains. The implementation of EC Reg. 2092/91 on certification marked an official acknowledgement of both Biogarantie and the two regional certification bodies. More importantly, however, the implementation of EC Reg. 2078/92 led to the establishment of extension services, consulting offices and a demonstration station along with a lot of formal changes among the organic farming organisations. The change rested upon open conflicts between organic farming and general agriculture institutions as the implementation of EC Reg. 2078/92 was postponed until 1995 because of problems regarding the choice of level of administration, and accompanied by fierce opposition from the Boerenbond in Flanders, towards public support of organic farming. Soon after support of organic farming had been implemented in 1995, however, the attitude of Boerenbond changed in response to the growing interest of conventional farmers in converting to organic farming. Farmers' increasing interest in organic farming was, furthermore, accompanied by a series of scandals relating to Belgian food production. Hence, the implementation of EU regulations paved the way for contacts between organic farming and both non-organic farmers and general agriculture institutions.

The institutional change in 1995 was followed by growth in the organic sector, which indicates that organic farming has moved from being completely neglected by non-organic farmers to being considered as a feasible option. This interpretation is in accordance with the fact that the major uptake, immediately after implementing EC Reg. 2078/92, was found among extensive farmers in Wallonia for whom the support was very favourable.

The competitive situation of organic farming is amplified by the third institutional change, which involves two separate attempts to strengthen the institutional setting of organic farming but still without including general farmers' organisations. One initiative – the establishment of separate regional chambers to facilitate internal regional collaboration among organic farming organisations within Bioforum – has been taken up by the organic farming organisations themselves and may be seen as part of a development of turning organic farming into a regional issue rather than a federal one – in line with agriculture in general. The other initiative – the establishment of a forum for discussion – has been taken up by the federal ministry – which continues to maintain the position of organic farming as a federal – and not regional – policy issue.

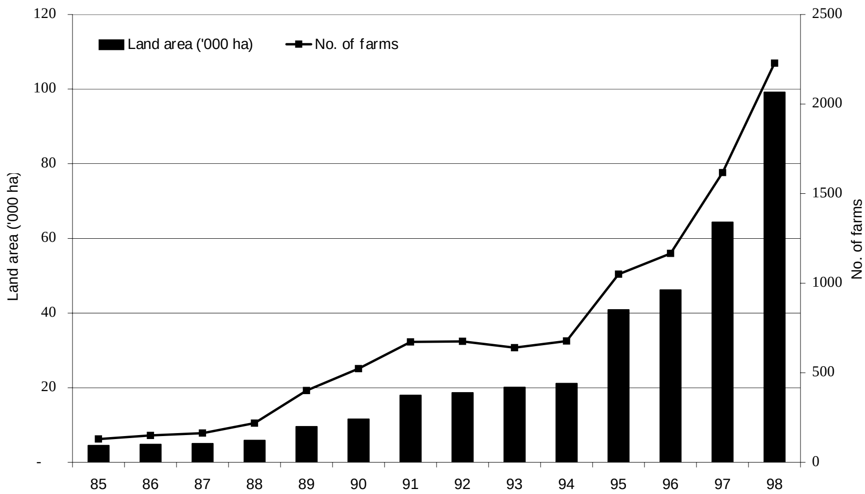
Gelöscht: ¶
¶

4 Denmark[6]

4.1 Background

Within European organic farming Denmark is a success story in terms of a comparatively large organic sector and a relatively high growth rate during the 1990s. Hence, an in-depth study of Denmark may provide good examples of factors that promote organic farming. It is of particular interest that Denmark was the first European country to introduce policy support of organic farming. As shown in Figure 4-1, however, the success story is not an expression of endless growth as Denmark has also experienced periods of stagnation. However, stagnation was only temporary and therefore it is even possible to investigate the processes, which led to restored growth.

Figure 4-1: *Development of organic land area (total and policy supported) and number of farms in Denmark from 1985 to 1998*



Source:Foster and Lampkin (2000)

Organic farming is a quite recent phenomenon in Denmark. It found its current form in the late 1970s leading to the establishment of private production standards under the auspices of a private organisation, LOJ,

[6] Prepared by Kennet Lynggaard and Johannes Michelsen on the basis of interviews carried out and summarised by Kennet Lynggaard.

founded in 1981. However young, organic farming has been able to develop fast as organic farms amounted to 3.5 per cent of all Danish farms in 1997 (Foster and Lampkin 2000).

Political support for organic farming was introduced in 1987. It included the introduction of public production standards, certification, inspection and a logo together with support for farmers as well as for marketing, information and research and development. Payments to farmers only included conversion support because the philosophy behind the support was that consumers were expected to pay price premiums, which were to cover any extra production costs related to organic farming. Hence, Danish organic farming policy was from the very beginning market oriented whereas the EU policy (EC Reg. 2078/92) is oriented towards concern for the environment. The national support scheme even included a separate institution – the Organic Farming Council. It is the first institution of its type in Danish agriculture policy as general farmers' organisations and agriculture policy agencies are combined with other interests. The other interests both include organic farming organisations and – what is more – many other both private and public interests among which are agencies of other ministries such as the Ministry of the Environment.

EC Regs. 2092/91 (on certification) and 2078/92 (on support) were implemented via national legislation in 1993. It was done in such a way that existing measures were kept running as far as possible. Hence, implementation of EU support did not mean a major change in national policy *vis-à-vis* organic farming. The main impact of EU regulations was the introduction of a payment for maintaining organic farming, which ran counter to the original ideas behind the national support scheme.

Hamm and Michelsen (1996) characterises the development of the Danish organic food market by identifying three distinct periods. Up until 1987 the market developed only in response to initiatives taken by organic farmers themselves and hence organic sector growth is characterised as mainly driven by supply. The national regulations in support of organic farming were introduced in 1987 and its immediate positive effect on organic farming leads to characterising the development as policy driven. However, the market did not develop in accordance with supplies – until a dramatic change in marketing activities in 1993 led to a dramatic increase in consumer demand. Consumer demand has increased sharply ever since and hence the period after August 1993 is characterised as demand-driven.

The periods driven by policy and demand are not reflected directly in the development of organic farms as pictured in Figure 4-1. The introduction of public support is followed by high growth rates, but the relative effect culminated as early as 1988/89 when the number of certified farms almost doubled. There then followed a period of stagnation and even a decline in the number of certified farms. Stagnation was caused by major problems of distributing organic food to the market and the problems were solved by structural changes, which paved the way for the market change in August 1993. However, growth in the number of farms did not reappear until 1995. Hence, the heavy rise in consumer demand had no direct impact on the number of organic farmers and neither had the national implementation of EC Reg. 2078/92 in 1993. When the number of organic farms finally increased in 1995, the direct cause was the introduction of an additional conversion aid payment made to farmers by the two largest Danish (farmer co-operative) dairy companies. The additional support was only paid to those converting in 1995. In 1997 the relatively strong rate of growth in the number of organic farms seems related to a change in public support to the advantage of both plant and pig producers.

4.1.1 Main questions for the in-depth study

Against this background two issues gained special attention in the in-depth study. The first one is the working of the Organic Farming Council in order to improve the understanding of co-operation between organic and general agriculture interests along with still other interests. The second issue worth analysing is the fact that an initiative to promote conversion taken by the large dairy co-operatives owned by conventional farmers clearly had larger impacts on farmers' propensities to convert than did the introduction of EU regulations (with maintaining support) and an explosive increase in consumer demand.

The background for, and development of, the Organic Farming Council is worth studying as an institution within agriculture policy, but it is also worth focusing on those aspects of the working of the Organic Farming Council which form part of the institutional interrelationships within the farming community – and finally those aspects which appear to belong to the institutional setting across domains. Similarly, the importance of dairy co-operatives is mainly a market feature, but it is worth considering why increasing consumer demand had to be channelled through the co-operatives to have any effect and why it apparently superseded policy impacts.

A third theme is the nature of regulation. Initially Danish organic farming had a high standard of self regulation, but it has increasingly been replaced by public regulation. Particular attention will be attached to public influence on organic farming certification rules and inspection, as it seems to have triggered some conflicts. The three main themes were studied by means of seven interviews with key actors[7].

4.2 Institutional changes within the farming community

Within the Danish farming community there are clearly organic farming organisations and they co-operate strongly with general agriculture institutions.

---

[7] The seven respondents were: a representative of LOJ the Danish Association for Organic Farming with early organisational experience (early organic farmers' organisation representative), a representative of the Danish Consumer Council (consumer representative), a representative of the Danish Society for the Preservation of Natural Amenities (environmental organisation representative), a representative of the Agriculture Council of Denmark (general farmers' representative), a representative of the Danish Family Farmers' Association (general farmers' representative), a representative of the Association of the Organic Service Centre (organic producer representative) and a representative of the House of Ecology (organic farmers' organisation representative). Six of the respondents are current or former members of the Organic Farming Council and all interviews were carried out from March to May 1999.

4.2.1 Overview of organic farming organisations and co-operation

The Danish Association for Organic Farming (LOJ) was established in 1981 as a members' organisation with a certifying body and a logo. Although the Biodynamic Association (FBJ) had been established in 1936, the organic farming community has been characterised by low organisational competition. FBJ only included few farmer members and LOJ was the only organisation, which exclusively represented organic farming interests on a national level and organic farmers were more or less "natural" members of LOJ (source [future abbreviation s:] early organic farmers' organisation representative). This is interpreted as a sign of a clear match between the ideology of the "average organic farmer" and the interests pursued by LOJ. The low level of competition between LOJ and FBJ was clearly in evidence around 1982, when they formed a Co-operations Committee for Organic and Biodynamic Agriculture (CCOBA) to solve possible disagreements regarding the content and practices of organic farming (s: general farmers' representative). In 1995, FBJ established its own certification body, Demeter. Both LOJ and FBJ organised all types of members in addition to farmers, such as firms, consumers and researchers. The organisational structure and decision-making process of both organisations also had more in common with grass-roots movements than with traditional farmers' organisations.

When the 1987 law on organic farming was passed, the organic organisations lost their monopoly on certification and inspection of organic production, but they kept their certification systems going. Moreover, a separate, publicly funded organic advisory service for farmers was established together with an information campaign directed at farmers and consumers and, in 1989, a Trade Co-ordination Committee (BKU) was formed as a forum for organisation and co-ordination of organic farmers' trading activities and interests across trades. Public financing of information and trade co-ordination was limited until 1992 and, in time, a wish emerged among the organic farming organisations and some individual farmers for handing over the tasks of the Information Campaign and BKU to the organic farming sector itself. The initiative of the Chairman of LOJ and the support of some recently converted farmers, paved the way open for the formation of a Organic Service Centre (OLC) in mid-1992.

Gelöscht: ¶

The objective of OLC is to distribute information on organic products and co-ordinate the marketing of products across trades. OLC is, thus, an umbrella organisation for organic trade organisations and includes associations of organic producers of milk (OBM, founded in 1987), meat (founded in 1997), egg and poultry (founded in 1988), plant products, processing firms and fruit and vegetables. Firstly, OLC marked an increasing orientation towards developing and expanding the market for organic products (s: organic producer and organic organisation representatives). Secondly, OLC was aiming at furthering the viewpoints of the "average converter", i.e. farmers with a professional background as farmer, which were claimed to differ from the viewpoints of the pioneers (s: organic producer and organic organisation representatives). LOJ and OLC were always in close contact and in 1998 they formalised their co-operation and established the House of Ecology.

Gelöscht: ¶

4.2.2 General farmers' organisations

In the beginning of the 1980s some members of the general Danish Family Farmers' Union (DFF) converted to organic production and remained within that organisation. Their numbers, however, were limited and initiatives to improve the representation and professional interests of organic farmers within the DFF failed to appear and hence, no real alternative to LOJ was developed. Among the reasons for the DFF interest in organic farming was that DFF believed organic farming to offer a potential strategy for smallholders to escape the structural pressure of farm mergers. In addition, DFF was much more positive than other farmers' unions towards accepting the political issues of agri-environmental problems and seeking solutions through developing environmentally friendly types of farming such as organic farming.

From 1993 onwards both main Danish general farmers' unions, DFF and the larger Danish Farmers' Union (DFU) began to act increasingly in favour of organic farming. They had both come to include many organic farmers among their members and now they established separate members' structures for them. DFF organised a Council for Ecology in 1994 from which the chairman is a direct member of the DFF board. DFU organised a Group for Ecology in 1996 with no formal influence. The majority of organic farmers are, however, still members of both organic farming organisations and general farmers' unions (Michelsen and Jaeger 2000).

Gelöscht: ¶

4.2.3 Co-operation between organic and general farmers' organisations

Co-operation between organic and general farmers' organisations started as early as 1985, when FBJ and LOJ through CCOBA reached an agreement on establishing an organic advisory service within the DFF. The background for the agreement was, on the one hand, that DFF was entitled to publicly financed agriculture advisors whereas LOJ and FBJ were not. On the other hand, DFF received public subsidies on condition of meeting demand for advisory services among farmers and therefore had an interest in increasing the number of potential customers. The decision of DFF to get involved in organic farming was rather controversial. However, the positive engagement of the president of that time, Christian Sorensen (s: general farmers' representative) and Hans Larsen Ledet, who were both board members of the DFF, MP (for the Social Liberals) and member of the parliamentary Committee for Agriculture, seems to have been critical.

The employment of two organic consultants in DFF in 1985 had lasting effects on the development of the organic farming community (s: organic farmers' organisation and general farmers' representatives). A representative of organic farmers describes it as the:

Gelöscht: ¶

"...first time...where conventional organisations – at first the smallholders' associations [DFF] – went in and did anything on organic farming. [It was] the first time they discovered that there was something called organic farming and there came a co-operation between the conventional and organic farming organisations. This led

Gelöscht: ¶

to the legislation on organic farming that came a few years latter [1987]. That is probably something that has been epoch-making in Denmark compared to many other countries – that the Danish development is characterised by close co-operation with the conventional organisations..." (s: early organic farmers' organisation representative).

DFF's approving attitude on behalf of the general farmers' organisations was, however, only held by a minor part of the leadership. It took more institutional changes within the organic farming community to resolve this situation after a national policy had paved the way.

Gelöscht: ¶

The national policy of 1987 included a separate organic advisory system working independently within the national advisory system and governed by one chief organic advisor. This system functioned until about 1996, when organic advice was integrated into the local advisory centres while the chief organic advisor gained the role as consultant for the local advisors. In this way, the first function of the advice was to help in establishing contact between organic and general farming organisational structures and later on became part of a close integration of organic farming into general farming structures.

Gelöscht: ¶

Although OLC is placed firmly and centrally within the organic farming community, its emphasis on farmers and farm production provided a potential institutional link between the organic and conventional agriculture sector. The potential materialised in the 1994 "Organic Summit" in which all major leaders of Danish agriculture organisations participated. The background for the summit was the huge consumer demand for organic products that followed a major marketing campaign in 1993. Demand could not be covered by Danish production and it was a major image problem for general farmers' organisations that had consistently met all outside criticism regarding environmental or animal welfare issues by saying that Danish farmers were eager to produce "whatever the consumers demand when they prove ready to pay for it". Now, Danish agriculture proved unable and – seemingly – unwilling to produce organic products.

Gelöscht: ¶

The chairman of OLC took the initiative and asked the president of the umbrella organisation of all organisations within Danish agriculture (Agriculture Council Denmark) for an organic summit – and succeeded. The outcome of the summit was an open acknowledgement on behalf of all general agriculture organisations that organic farming had a market potential, which ought to be developed (s: organic producer, organic farmers' organisation and general farmers' representatives). In this context the market orientation of organic farming thus appeared an important platform for establishing a dialogue between organic and general farmers' organisations.

The summit marked the onset by organic farmers' organisations of a more deliberate double strategy directed towards the general farmers' institutions (s: representatives of organic producer, organic farmers' and general farmers' organisations). On the one hand, LOJ has throughout its existence been the carrier of the "organic farming ideology", but due to the entrance of OLC and its success in establishing a link to the general farming sector, LOJ now became more unambiguously an organisation

Gelöscht: ¶

able to take a stand on grounds of principle (s: organic farmers' organisation representative). On the other hand, OLC could go into negotiations and co-operation with the general farmers' organisations and thereby pave the way open for utilising not least the distribution systems and sales channels under their control (s: organic producer and general farmers' representative).

The double strategy is broadly agreed to have been successful and it materialised in an institutional change in late 1997/early 1998. In December 1997, OLC became a full member of the Agriculture Council of Denmark on a par with the trade organisations of Danish Slaughterhouses and the Danish Dairy Association (both mainly constituted of farmer co-operatives) as well as the general farmers' unions. The other part of the strategy materialised in a close co-operation between OLC and LOJ in the House of Ecology that started at the beginning of 1998, and which involved joint management and staff but separate boards of LOJ and OLC respectively.

In relation to the entry of OLC into the ACD, it might be argued that DFF – and to some extent even DFU – could have been accepted as representing organic interests and, hence, made OLC dispensable within the ADC. However, the placing of OLC on a par with DFF and DFU in ACD should also be seen as an acknowledgement and acceptance of OLC as a significant representative of organic farming interests and as a reliable partner. Prior to the entry of OLC into the ACD, LOJ had withdrawn – after some debate – from the OLC Board, as they wanted no confusion of their position as an alternative type of farming. Thus, LOJ opted out the OLC Board and, at the same time, the two bodies entered a close partner-ship, which is characterised – internally – as one organisational unit but – externally – as a working co-operation (s: organic farmers' organisation representative). A general farmers' representative describes the use and potential of the co-operation between OLC and LOJ in this way:

"...the ecologists can speak with two voices. Because one [OLC] works for influence within the established system through the Agriculture Council and the other organisation [LOJ] is independent and can speak its opinion and does not necessarily have to compromise with the other agriculture organisations. So from a purely tactical point of view, the way you use that now is very reasonable" (s: general farmers' representative).

4.3 Institutional changes within agricultural policy

4.3.1 Political attention and support given to organic farming

There have been some changes in the degree of political attention attached to organic farming and in the views held on its possible function as a policy instrument. Up to 1985, organic farming was not an area of political concern and very little attention was attached to the subject. In 1985, initiatives taken by the Socialist Peoples Party (SF) and the Social

Liberals (RV) to introduce national legislation in this area marked a change. The bill, which was passed in 1987, became a combination of the best parts of both proposals, according to a general farmers' representative who was one of the main forces behind the elaboration of the proposal made by SF. Organic farming thereby entered the national agriculture policy arena.

The national legislation implied a formalisation of the organic farming sector (s: general farmers' representative) through the introduction of the "Red O"-label based on public certification and inspection of organic production. In addition, a national Danish support scheme for organic food production was introduced, administrated by the Structure Directorate within the Ministry for Food, Agriculture and Fisheries. Finally, the bill included the establishment of the OFC. In spite of the bill, organic farming was considered – both by the Minister for Agriculture at that time, the Liberal Laurits Tornes, and the bureaucracy within the ministry and, to an even greater extent, by the staff of the Ministry of Environment – to be of very little importance (s: representatives of organic farmers' and general farmers' organisations). Only the organic farming organisations and a few MPs seemed – at this point in time – concerned with developing organic food production. A change to a Social Democratic-Social Liberal coalition government early in 1993 marked a more positive attitude towards organic farming.

Gelöscht: ¶

The first Social Democratic Minister of Food is described as more positive towards organic farming than his predecessors. However, Henrik Dam Kristensen, is, as Minister for Food, since late 1994, seen as a critical actor in the development of organic food production in Denmark during the 1990s (s: organic farmers' organisation and general farmers' representatives). During Henrik Dam Kristensen's time as minister, various initiatives have been taken with regard to organic farming – in particular Action Plan I, from 1995, and Action Plan II, finished in January 1999. Additionally, organic farming has become a topic for consideration in other related areas. In 1997 a working group set up by the Ministry of the Environment to analyse the effects of a reduction in the use of pesticides in Denmark (Bichel-commission) was also asked – although only due to pronounced public pressure – to consider a total conversion to organic production. Hence, central actors in the organic farming community also became involved in the Bichel-commission's work.

Gelöscht: ¶

In 1998 the elaboration of the second Action Plan for the Aquatic Environment, included organic farming as a policy instrument for pursuing agri-environmental goals. This is considered the first use of organic farming as an instrument in national environmental policy (s: environmental organisation and general farmers representatives). Hence, organic farming is now both an instrument aimed at meeting consumer demand for organic food and an instrument in environmental policy. From an analytical point of view, it is worth noting, that the environmental aspects of organic farming were developed under the auspices of the Ministry of the Environment although decisions made on the second Aquatic Action plan were administered by the Ministry for Food, Agriculture and Fisheries. This implies increasing support to organic farming from the Ministry of the Environment and an inclusion of organic farming among agri-environmental issues, which in Denmark is an area of intense political conflict between agriculture and parliament. Hence, within the agriculture policy domain the tension regarding organic farming has been growing in recent years.

4.3.2 Certification and inspection

Parallel to the increasing political interest in organic farming, an increasing level of public intervention in the certification and inspection of organic farming has taken place. The first production standards, certification and inspection system for organic farming were introduced by LOJ when the organisation was formed in 1981. Since then, LOJ had its own certification and inspection system but – in the course of time – other sets of standards and bodies for certification and inspection have been implemented.

Gelöscht: ¶

In the period from 1981 to 1987, LOJ was the sole organisation concerned with developing and managing certification and inspection of organic farming. Although FBJ had established its own certification body, Demeter, in 1985, it has – as opposed to LOJ – neither been concerned with a continuous development of production standards nor – more generally – been active in promoting alternative agricultural production. The benefit of what was next to an actual monopoly on certification gave LOJ a pronounced advantageous position *vis-à-vis* the organic farmer as reflected in the assessment of LOJ as being of particular importance for the development of organic farming in this period (two organic farmers' organisations and producer representatives). This situation changed when the Organic Farming Bill was passed in 1987 and from then on, the Plant Directorate carried out national certification. It is an agency located within the Ministry for Food, Agriculture and Fisheries, like the Structure Directorate, which administers the organic support schemes.

Gelöscht: ¶

Although the national public standards, to a certain degree, were in accordance with the standards certified by LOJ, LOJ did not abolish its certification and inspection tasks. Of major importance was that all dairy products were certified by LOJ up until 1998. It is broadly agreed among interviewees that a central task for LOJ after the introduction of public standards (and perhaps even the single most important justification for the existence of LOJ as an organisation) has been its role as the legitimate – although informal – authority on defining good agriculture practices in accordance with the philosophy of organic farming.

Gelöscht: ¶

The next turning point was the implementation of EC Reg. 2092/91 on crop production standards and certification. In most areas the existing Danish national certification rules were in accordance with – or more strict than – those implemented by EC Reg. 2092/91. There are, however, a few areas where the EU standards are more rigorous than both national and LOJ certification (s: organic farmers' organisation representative) and, hence, no complete overlap exists between the three sets of rules. Thus, for some farmers there exist no less than three sets of rules to relate to. This has, on the one hand, created a certain degree of confusion and a request for simplification and co-ordination of the various sets of rules. On the other hand, an important dynamic in the development of certification rules has been obtained and LOJ plays an important part in this context (s: organic farmers' organisation representative). LOJ has constituted a forum for a continuous discussion in defining and strengthening the rules. After 1987 LOJ has – in particular through their membership of OFC (s: general farmers' representative) – tried to integrate their own production standards into national legislation and this strategy has also been pursued in relation to EU regulation – in particular through LOJ's work in IFOAM's EU-group.

Gelöscht: ¶

According to a consumer representative, the influence of LOJ in the OFC in general and on standards has exceeded what could be expected considering their base of support. This has been possible due to a thorough understanding of the effect of the regulations on organic farmers as well as the strategically good tactics of LOJ's representative, Paul Holmbeck. In this way, LOJ has – at least on a national level – been successful in pursuing its strategy and has imposed some dynamics into the national develop-ment of standards. It might even be argued that, due to such success, LOJ has undermined its own certification and inspection system and, in so doing, the *raison d'être* of its existence.

Gelöscht: ¶

The importance of LOJ's certification and inspection system was challenged from two sides during the 1990s (Michelsen 2001b). First, the Plant Directorate gained influence over LOJ along with the consolidation of national standards and this was reinforced by the introduction of EU standards although there still exists a forum of coordination between LOJ and other organic farming organisations on the one hand and the directorate on the other. Secondly, the importance of the Plant Directorate was reinforced by the fact that employees of the directorate after 1996 at times have inspected the observation of the special LOJ standards on behalf of LOJ – for reasons of bad economy in LOJ. Thirdly, this has in turn led the Danish Dairy Board to pay the Plant Directorate for inspecting LOJ standards among their members without paying any member fees to LOJ.

Against this background a full abolishing of LOJ certification has been the subject of discussion both within the House of Ecology and at LOJ's general assemblies in 1998 and 1999 (LOJ 1998, LOJ 1999, and s: organic organisation representative). It was only due to an appeal from OLC, which argued LOJ still had an important role to play in a dynamic development of standards for organic farming, that the abolishment decision was postponed. This is a clear illustration of how important OLC sees the internal division in work between OLC and LOJ.

4.4 Institutional changes within the food market

Immediately after its establishment, LOJ gained contact with the largest Danish retailer, which covers about 30 per cent of the Danish food market through several supermarket chains – the consumer co-operative FDB (Michelsen 1994). FDB agreed to sell organic products around 1981 and has, ever since that time, served the function of a patient and dependable customer for an increasing range of products in increasing quantities. Hence, from the beginning, Danish organic farmers were clearly oriented towards supermarket sales. For each main type of product there is a specific history of development. In this context, the focus will be on the development of the organic milk market as it has performed the function of a locomotive for the development of all markets for organic products in Denmark. Organic milk was the first organic product to gain a market share of some importance and for which a coherent chain of production, processing and distribution soon became well established. It is still by far the most important organic market and the sales of organic milk constitute about 25 per cent of the total sales of milk in Denmark (2000). Moreover, organic milk is envisaged to become the flagship in a future strategy of Danish exports of organic products. Hence, the description of the milk market represents the most developed of all Danish markets for organic food – and probably the most developed market in Europe.

4.4.1 The history of the Danish organic milk market

Before 1988, a conversion of dairy farms had started, but a real market had not yet developed. The first minor organic dairy (Grindsted Mejeri) had been established in 1984 processing only small quantities and fresh organic milk was nearly not available for consumers. Although FDB had expressed a wish for receiving larger quantities of organic milk from its sole supplier of dairy produce, the largest Danish dairy company, MD Foods (a dairy co-operative covering about 60 per cent of the Danish milk market at that time), it refused to do so (Michelsen 1994). It was within this environment, the Danish organic milk market developed during the late 1980s and the 1990s (s: organic farmers' organisation, producer, consumer and general farmers' representatives).

Early in 1988 a group of producers – some of which had withdrawn from MD Foods – had established two minor dairies, Naturmilk and Thise, in order to market organic dairy products. They were even ready to deliver organic milk products to retailers – including FDB (Jensen and Michelsen 1991). In other words, MD Foods was at that time facing initiatives to establish a separate system of distribution as well as a demand for organic milk products from their largest customer FDB. In this situation, MD Foods agreed for the first time to pay a price premium to the organic milk producers among their member-suppliers – and to arrange an organic product line and distribution system. In practice, the first organic liquid milk made its appearance from the small independent initiatives at the same time as from MD Foods (Michelsen 1994).

The beginning of the 1990s has been labelled as the period concerned with *"the struggle for milk"* (s: organic farmers' organisation representative). Collection and promotion was handled by a purely organic trade organi-sation, Dansk Naturmilk, which had been established in order to strengthen the organic producers' control over sales (Jensen and Michelsen 1991). Dansk Naturmilk included all the small purely organic dairies as well as all milk producers delivering to MD Foods and hence was able to act as a point of co-ordination for all Danish organic milk producers in their attempts to distribute their produce via agreements with the two largest Danish dairies, MD Foods and Klover Milk (together covering about 85 per cent of the Danish market).

Gelöscht: ¶

The first main agreement was reached in June 1990, but two months later MD Foods started a countermove to the dominant position of Dansk Naturmilk by offering their own members individual three-year contracts with 40 per cent price premiums (Michelsen 1994). This move prompted the major increase in organic farms in 1991 pictured in Figure 4-1. It was a threat to the existence of Dansk Naturmilk, which was further under-mined when, later in 1990, it appeared unable to live up to the ambition of being the trader of organic milk. As a consequence, Dansk Naturmilk was reduced to being only a co-ordinating body of dairy producers, and Klover Milk saved the supplier-members of the largest of the small organic dairies from bankruptcy by offering them a five-year contract with a 40 per cent price premium.

Gelöscht: ¶

Hence, the struggle of the Danish organic dairy producers to obtain a market for organic dairy products succeeded in the sense that the main dairies finally began to include an organic line in the product range. The struggle led the main dairies to organise reliable access to organic milk supplies. By the end of 1992, a majority of producers of organic milk had entered into individual and still longer-term contracts with the large conventional dairies whereas the representation of the dairy producers' professional interests was weak. Although MD Foods and Klover Milk had become involved in the distribution of organic milk, the organic producers felt the engagement of the dairies to be half-hearted and more motivated by a wish to be on "the safe side" rather than by an actual intention to actively expand and develop the market (s: organic farmers' organisation representative). In 1991, MD Foods stopped contracting with new converters because much of the organic milk was not being sold as organic. An organic producer representative described the situation in early 1992 as desperate, in particular, because newly converted and potential converters were at risk of not getting their milk accepted and paid for as organic within any dairy.

Gelöscht: ¶

The insecure market situation held not only for milk producers but also for all organic farmers because the market appeared unable to absorb the large increase in products following the wave of conversion after the 1987 law. Hence, the very insecure market situation that developed from the end of 1991 seems a very good explanation for the slow-down and even decrease in the number of organic farms between 1992 and 1994.

Gelöscht: ¶

The Association of Organic and Biodynamic Milk producers (OBM) was formed in mid-1992. The initiative was taken by a handful of newly converted professional farmers. They made contact with some of the "*old*" organic farmers and "*on the ruins of Dansk Naturmilk*" OBM was formed (s: organic producer representative). OBM appeared an important actor in the change of market conditions that materialised in the twenty-ninth week of 1993. This point in time has been characterised as "year zero" for organic sales (OBM document 1999) as FDB started the campaign for the promotion of organic products, which led to a significant increase in demand for organic products among consumers. The campaign was financed and carried into effect by one of FDB's supermarket chains, Superbrugsen, who had reached an agreement with OBM on co-financing the campaign and paying a discount on sales of organic milk. Hence, the organic farmers contributed – more or less behind the back of the large dairies – to the financing of an advertising campaign in co-operation with a major supermarket chain. The impact of this full-scale advertisement campaign, introducing the slogan of "organic discount" (justified by a slight decrease in consumer price premiums), was the first boom in the market for organic milk – and other organic food products (Hamm and Michelsen 1996).

Gelöscht: ¶

Thus, in 1993 the breakthrough of sales coincided with an increasing co-operation between, on the one hand, producers of organic milk, and, on the other hand, major retailers of food products. Soon it became clear, however, that the production built up in the previous period was now insufficient to satisfy the steep rise in consumer demand. MD Foods and Klover Milk decided to offer a 15 per cent premium price to new organic farmers during the conversion period (Okologisk Jordbrug December

Gelöscht: ¶

1994). This premium paid in addition to public subsidies to in-conversion farmers was, in the view of the interviewees, the most significant trigger behind a more than 100 per cent increase in the number of organic milk producers in 1995. In the following years, the central motivation to convert for milk producers has been, according to an organic producer representative, the profitability of organic farming as compared to non-organic farming.

Gelöscht: ¶

The boom in the number of organic milk farmers in turn caused a rapidly growing demand for organic fodder that could not be met by the existing level of production. However, the actors involved in the development of the first Action Plan (API) on organic farming in 1995 already acknowledged this arising problem. Recommendation No. 51 in API suggests additional financial support directed towards organic plant production with direct reference to the problem of fodder production. This was, according to a general farmers' union representative, a recommendation particularly emphasised by DFF, and its implementation had a significant effect on the conversion rate in 1997.

A major increase in 1999 in the number of organic milk producers has caused anxiety about approaching oversupply in the national market: the increase in the relative volume of organic milk being sold as conventional lends support to this concern. Like the previous problem of low supplies of organic fodder, part of this development seems to be anticipated. The second Action Plan of 1999 (APII), in general, is concerned with the potential for export of organic products and suggests various measures to promote this potential. In addition, OBM entered into a co-operation with the Federation of Danish Dairy Associations (FDDA) in order to explore the potential for exporting to Germany, Sweden and the UK. The co-operation is remarkable as FDDA is often seen as very reluctant to develop the production of organic milk, and OBM and FDDA have been opponents in some of the most severe conflicts between the organic farming and general farming sectors. A recent change in leadership in FDDA is mentioned as paving the way open for dialogue.

Gelöscht: ¶

A recent development is occurring outside the dairy sector, which may be important for the general development of organic farming within the food market domain. This is the merger of the biggest organic firms with the largest firms within each sector (Okologisk Jordbrug 19.05.00). In 1999 the largest organic flour producer was bought by the largest mill company in Denmark, the organic pig producers sold their co-operative to the largest Danish slaughtering company – also a farmers co-operative, and the largest Danish firm in organic egg sales was sold to the largest Danish egg firm – once again a farmer co-operative. Finally, in 2000, the largest Danish packer of organic vegetables, owned by organic producers, merged with a similar firm owned by the two main farmer co-operatives in plant production. In all instances the reason for mergers was not financial problems but strategies for further development. Not least the merger of firms selling vegetables is explained by a common concern for developing exports.

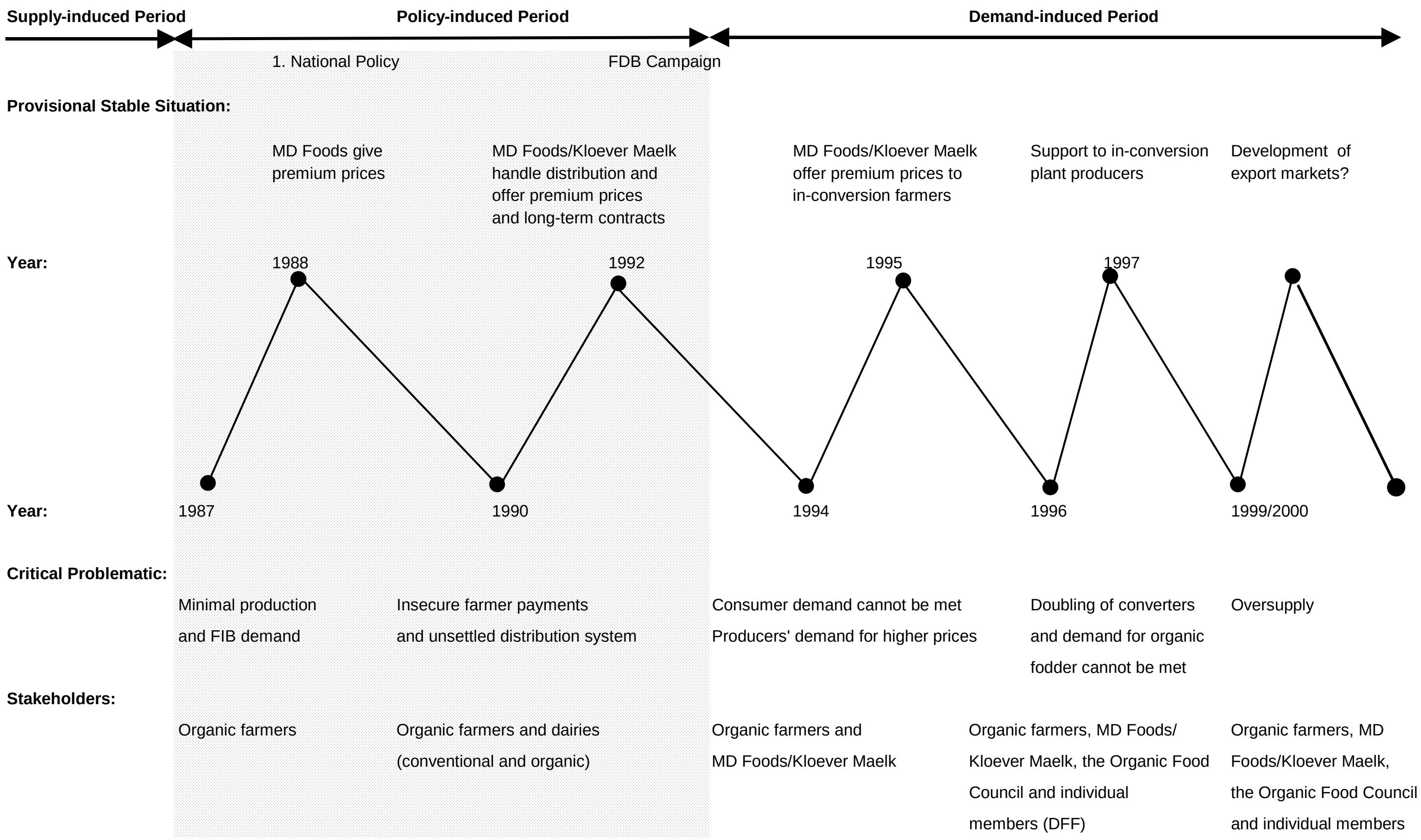
4.4.2 An analytical view of the milk market history

The market for organic milk since the late 1980s may be described as developing in separate steps (see Figure 4-2). Each step begins with a rise of a critical problem, which develops to a climax where a – provisional – solution is found and a stable situation seems to appear. However, the climax in turn marks the beginning of a new critical problem.

The first critical problem had the organic milk producers as central stakeholders (although they were few in number) and was constituted by the beginning of organic milk production and a wish of FDB to promote organic milk sales. MD Foods ended up in a cross-pressure situation and found a provisional solution in 1988 by agreeing to pay price premiums to producers of organic milk.

In 1990 the second critical problem emerged. It was constituted by uncertainty in payments to farmers for their production and caused by "the struggle for milk" together with an unsettled distribution system. The main stakeholders were MD Foods together with all Danish organic milk producers and minor organic dairies organised in Dansk Naturmilk. Dansk Naturmilk struggled to obtain a monopoly of organic milk supplies, but failed. MD Foods, in turn, introduced long-term production contracts. A provisionally stable situation emerged when MD Foods and Klover Milk in combination had taken over the main part of the distribution of organic milk and offered 3-5 year contracts and a premium price to both existing and newly recruited organic milk suppliers.

Figure 4-2: The institutionalisation of the Danish market for organic milk



However, among the newly recruited organic milk producers, discontent against the large dairies was expressed through the formation of OBM on the ruins of Dansk Naturmilk. Issues were the milk price paid to producers as well as an insecure situation for new and potential converters as MD Foods had stopped making new contracts in 1991 (s: organic producer representative). The milk producers' discontent launched a campaign for promotion of organic products among consumers in co-operation with a supermarket chain in mid-1993, which succeeded in creating a sharp increase in consumer demand. Hence, the large dairies were soon once more caught between on the one hand organic milk producers demanding higher prices and threatening to develop parallel processing firms (s: organic organisation representative), while, on the other hand, consumers demanded more products and were willing to pay price premiums. Although both consumers and the major supermarket chain, Superbrugsen, can be said to have contributed to the formation of the critical problem emerging in the second half of 1993 and constituted in early 1994, the major stakeholders in this call for institutional change were, essentially, organic farmers and the large dairies. The dairies provided the solution in 1995 by offering a price premium paid to farmers in conversion – and hence a new provisionally stable situation was reached.

Gelöscht: ¶

The price premium offered by the dairies in turn led to a doubling in the number of organic milk producers and, in consequence, to an urgent need for organic fodder that could not be met. This constituted a critical problem in 1996. The stakeholders were yet again organic farmers and the large dairies. This time the Organic Food Council (OFC) provided the solution by implementing a recommendation from API of 1995, which attracted more plant production and pushed forward the development. The last step has not yet taken definite shape. It is, however, suggested that a critical problem is approaching in the form of an oversupply of organic milk onto the national market and its resolution is possibly to be found in APII concerned with the potential of developing export markets.

Gelöscht: ¶

4.5 Changes within the institutional setting

The work and composition of the Organic Food Council (OFC) is a reflection of how the organic food sector has been subject to co-ordination efforts across the three domains of the farming community, the agriculture policy and the food market – both within organic farming and in the interrelationships between organic farming and general agriculture institutions.

The official purpose of OFC is to follow and assess the possibilities for developing organic farming. OFC has, since its formation in 1987, included members representing the Structure Directorate and the Plant Directorate of the Ministry of Food, Agriculture and Fisheries as well as representatives of the Ministry of the Environment and Energy (the Environmental Protection Agency) and the Ministry of Health. Moreover all organic farming and general farmers' organisations are represented, i.e. FBJ, LOJ, CCOBA, ACD, DFF and DFU. In addition, OFC includes representatives of the Trade Council of the Labour Movement and the

Gelöscht: ¶

Consumer Council. Finally, the OFC includes a series of specific expert members.

Gelöscht: ¶

According to an organic farmers' organisation representative involved in early phase of OFC, the members of the OFC were, from the outset, not clear on what to do with this new forum. Although, the OFC had been established in order to promote, supervise and assess the potential for developing the organic sector, this competence was not fully appreciated by its members. Regarding the general farmers' organisations, they had not entered into the work whole-heartedly and gave it a low priority. As soon as possible they vacated their seats, leaving them to organic farmer members. This shows that there was not even any perception of organic farming being in opposition to that of general farming. Thus, in 1990, the members of the OFC had all become pro-organic farming and not least the representatives of the general farmers' organisations felt committed to advance organic farming. This development is considered very important, as it formed the basis of the further development that took place in the organic sector (s: organic farmers' organisation representative). From then on, it seems that the question of whether organic farming ought to be developed was no longer relevant. Instead, the central theme became how organic farming should be developed.

Gelöscht: ¶

Between 1990 and 1994, the OFC was mainly carrying out low-profile executive duties with very little intervention from outside (s: organic farmers' organisation representative). It seems in this period that the foundations of the working relationships within the OFC were laid down. Today, they are firstly characterised as being strongly pragmatic (s: three general farmers' and environmental organisation representatives). The pragmatism seems related to the fact that all members were pro-organic and agreed that organic farming had a development potential. Secondly, the working process of OFC is open (s: three general farmers' and environmental organisation representatives) in the sense that members of the OFC agree that discussions are governed by the "best available argument" rather than by predetermined interests and organisational powers. The open working process only characterises the internal work of the OFC.

Thirdly, regarding external interrelationships the OFC is characterised by a relatively low public profile, which, according to three representatives of general farmers' environmental and consumer organisations, makes the OFC very attractive to the Ministry for Food as an advisory forum. The low profile thus contributes to making OFC influential on the organic agriculture policy. Finally, the most avowed characteristic of the work in the OFC is the endeavour to reach consensus (s: organic producer, general farmers', environmental organisation and consumer representatives). From an analytical point of view, these characteristics of the OFC is in accordance with the concept of policy community[8], which seems rather unusual in a situation where a commission is composed of apparently opposing interests.

---

[8] "A special type of *stable* network, which has the advantage of encouraging bargaining in policy resolution. In this language the policy network is a statement of shared interests in a policy problem: a policy community exists where there are effective shared 'community' views on the problem. *Where there are no such shared views no community exists.* (Jordan quoted in Richardson 1996, p.7)".

The working relationships within the OFC are reflected in the work of the two Action Plans. The work on the first Action Plan (API) in 1994/95 is characterised by substantial work within the OFC, which differed strongly from the work on OFC's executive tasks (s: general farmers' representative). The working relationships were intensified and the frequency of meetings increased and so were the personal contacts in between meetings. Through the action plans, OFC is characterised by all interviewees as the most influential forum on organic farming policy – not least after the implementation of API, which is considered very successful.

The development of the institutional setting of organic farming falls into three distinct periods. The first period (1987 – 1990) is characterised by the question of *where to decide?* No one forum dealt in particular with organic farming topics across domains or between organic farming and general agriculture institutions – the OFC only represented a meeting place. In 1990, however, there seems broad agreement that the OFC was the most important forum regarding negotiations on organic farming topics. Between 1990 and 1994 the OFC took the shape of a policy community for which the main question was *how to decide?* The beginning of the work on API in late 1994 marked the start of the final period where work has intensified and obtained more influence in policy-making, focussing on *what to decide?*

4.6 Summary and tentative conclusions

Organic farming in Denmark is a quite recent phenomenon as it began to develop during the 1980s and had reached a relatively large share of all Danish farms (3.5 per cent) in 1998. The relative success of Danish organic farming is not based on an even development – in fact there was a period of stagnation and decline between 1992 and 1994. The study focuses on the institutional background for growth and how growth was retained. Three main issues gained special attention. One is the performance of the Organic Farming Council as a forum for discussion and planning across domains. Another is the relative importance of general dairy co-operatives in promoting conversion to organic farming and a third is the issue of ending the practice of self regulation in organic farming.

The Organic Farming Council is a main feature of the development of Danish organic farming. It is an outstanding institution within Danish agriculture policy. It is not only based on general agriculture interests but also on organic farming interests, consumer interests and various interests of other industrial organisations and ministries. The purpose of the OFC is to follow through and assess the developmental potentials of organic farming as an industry i.e. across the three main domains of farming community, agriculture policy and the food market. This reflects the main political philosophy behind governmental support for organic farming, which from the outset was not environment protection but instead a response to market demands. Hence, any organisation with an interest in developing supply and market relationships was included.

Gelöscht: ¶

There appeared no direct effect on Danish farmers' propensities to convert to organic farming upon the implementation of EU regulations in 1993. Growth began in 1995 and was not triggered by public subsidies but by extra subsidies paid by the large dairies in response to an enormous lack of supply to cover a large consumer demand, which started in 1993. Hence, neither public support nor consumer demand was sufficient to attract farmers to organic farming. One of the main general farming institutions – the co-operatives – had to mediate the message before it was transformed to conversion. This seems to reflect a need for an acknowledgement of the organic farming system by general farming institutions if farmers are to convert.

Gelöscht: ¶

The third theme of the apparent ending of self regulation within organic farming regarding production standards, seems to be the result of a deliberate strategy on behalf of the organic farming organisations. They wished to seek political influence rather than establish an institutional basis for a separate and full-ranging certification system, which is costly to both the organic farming organisations and the organic farmers. However, the issue is still not settled.

Gelöscht: ¶

All three issues – and not least the establishment of OFC – reflect a rather co-operative attitude from both organic and general agriculture institutions. A co-operative practice developed early on in the farming community, and paved the way open for Danish public organic farming support. Co-operation also developed in the food market domain, but soon it became clear that competition was part of the interrelationship between organic and general farming market institutions. Organic and general farming co-operatives and other firms competed against each other not least for the rights to deliver to the major supermarket chains. The impact of competition was, however, not destructive for the organic farming development – on the contrary – the characterisation of *creative conflict* fits very well with the stepwise market development since initiatives of both parties have released new initiatives by the other party and this process has promoted the growth of the organic sector both in terms of market share and in the number of farms. When looking more thoroughly at the interrelationship between organic and general farming institutions within the other domains, the characterisation as creative conflict holds true as well – although conflicts are less manifest.

4.6.1 The institutional environment

The institutional environment of organic farming in Denmark is illustrated in Figure 4-3 and will be summarised here for each domain. In the farming community, the Danish organic farming sector is characterised by lack of competition and strong co-operation among the organic farming organisations. Two organisations developed separate organisational systems, which included certification bodies, but rather than competition they cooperated within a joint organisation. Soon LOJ appeared the largest and most dynamic organisation. A separate trade committee was established with public support in 1987, but in 1992 it was changed into a private organic producer organisation (OLC), which established a clear profile of representing organic producer interests.

Soon a clear division of work appeared between LOJ and OLC within the auspices of a common House of Ecology where they draw on a joint management and staff team. LOJ has become the carrier of “organic ideology” in political negotiations whereas OLC promotes the more specific interests of organic farmers and in this capacity is able to communicate on a more pragmatic basis with general agriculture institutions such as general farmers’ unions and co-operatives.

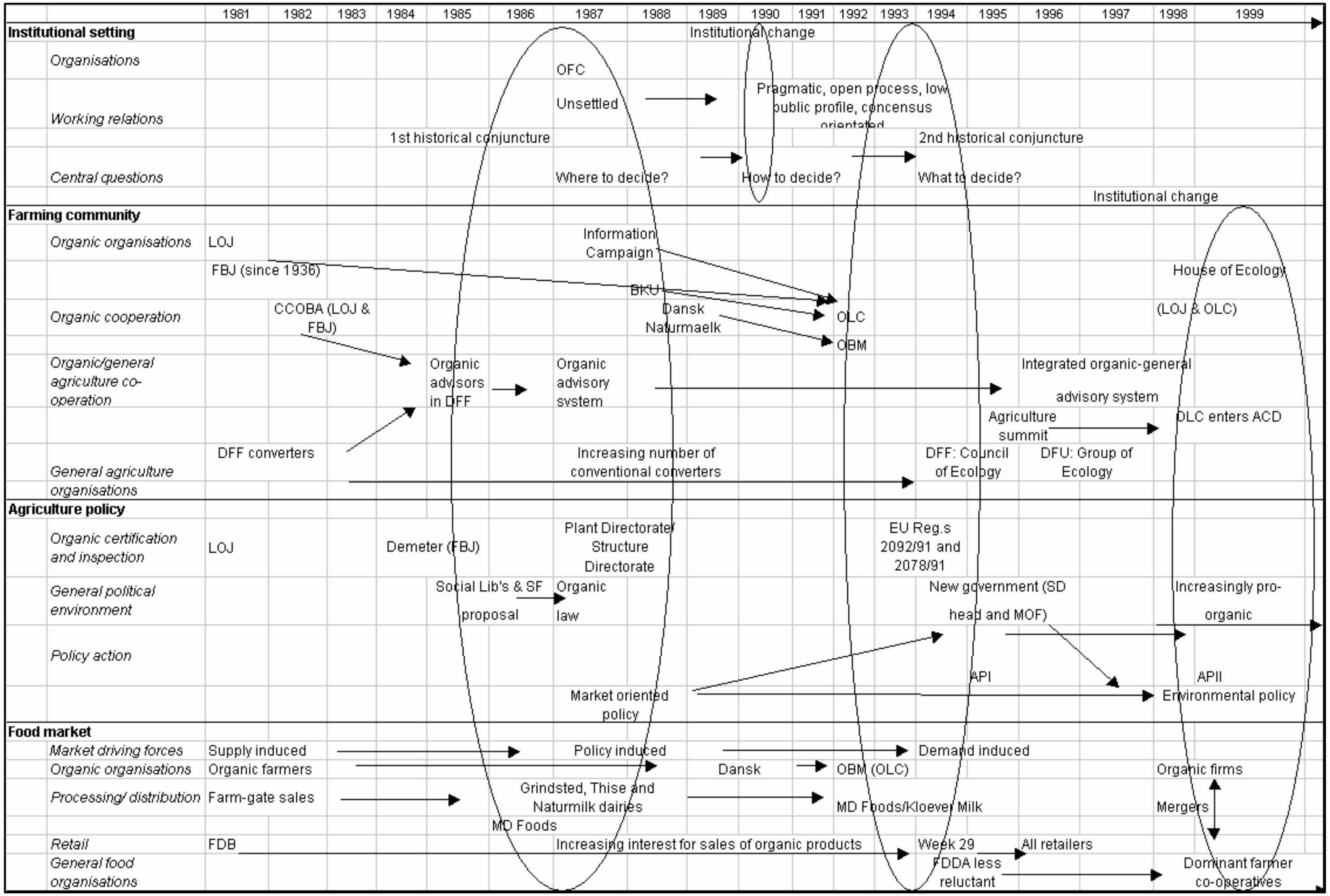
In the general farming community, the union of family farms met the organic farmers with some sympathy, which also reflected an interest in supporting environmentally friendly farming systems. The main farmers’ organisation originally met organic farming with indifference, but agreed to join the OFC when it was established in 1987. As the number of organic farmers began to grow, the farmers’ unions’ interest increased and they started attempts to integrate activities of organic farming into their organisations. The special advisory system, developed for organic farmers was integrated into the general advisory system of the general farmers’ unions and special organisations were developed to attract organic farmer members or keep them within the general farmers’ organisations when they had converted.

Gelöscht: ¶

Co-operation between general and organic farming organisations of the farming community developed on the basis of some conflicts, which appeared to be creative for the consolidation of organic farming within the farming community. The most obvious conflict was about Danish agriculture’s ability to deliver organic food products in quantities sufficient to cover consumer demand. This conflict proved very obvious in 1994 and the situation was used by the OLC to establish an “Organic Summit” with the umbrella organisation, Agriculture Council of Denmark (ACD). The outcome was that ACD was forced to accept organic farming – and later on OLC became a member of ACD on a par with general agriculture organisations.

Gelöscht: ¶

Figure 4-3: The development of the institutional environment for organic farming in Denmark 1982-1999



In the agriculture policy domain, organic farming already had some influence in the latter half of the 1980s and a political initiative soon materialised into an encompassing regulation based on a market-oriented approach. The policy included a state certification system combined with an information campaign directed at consumers and farmers, as well as support for farmers during the conversion period. A somewhat hesitant attitude by the ministry was replaced by activism after a change of government in 1993, which led to the elaboration of action plans for increasing growth in 1995 and for increasing exports in 1999. At the same time, the political debate on support of organic farming became still more influenced by an environment-oriented approach. Hereby a conflict is actualised regarding the perception of organic farming as more environmentally friendly than mainstream agriculture, which had hitherto been toned down due to the market orientation of both policy and practice. Within the food market domain, the largest Danish retailer, FDB, gained interest in organic food as early as 1981 and has acted as a patient but critical customer of organic produce. This spurred organic farmers to turn production towards supermarket sales and paved the way open for processors and traders to include an organic product line or product range. The market for organic produce developed step by step through conflicts that appeared constructive for growth in demand and supply, as well as for the quality and range of products – as illustrated by Figure 4-2. The figure shows how minor groups of organic dairy producers have entered into competition with the large dairy co-operatives and through sometimes harsh competition have been able to increase the marketing of organic milk products up to about 25 per cent of the total domestic consumption.

Regarding the institutional setting, the OFC represents the aim of achieving co-ordination across the domains and has left a clear mark on the development of organic farming. The OFC includes farming interests and food production interests (consumers, industry) along with environmental and health interests in such a way that the members of OFC appear to have developed a sort of policy community with a low profile while also disseminating plans and proposals to the parent organisations of the council members. In this way outspoken conflicts between parent organisations might have been kept alive but at the same time, conflicts have not been allowed to seriously hamper the realisation of the proposals agreed upon within the OFC.

To sum up, the Danish organic sector expanded in the late 1990s after a period where initial growth was replaced by stagnation and decline. This change of development reflects the position of organic farming, on the one hand, as in conflict with general agriculture institutions in all domains. On the other hand, conflicts are resolved in such a way that they end up being creative for the development of organic farming as a separate part of agriculture.

4.6.2 Institutional change

Several developmental trends are mentioned above and pictured in Figure 4-3. The development took off in 1981 when LOJ was established.

In the food market LOJ established contact with the main Danish retailer, FDB, who agreed to promote organic food: in this way, a demand in the mass market was documented. The market demand and the organic farmers' need for advice appeared important triggers for the first major institutional change that took place roundabout 1987. The change, which encompasses all four domains, originates in the political decision of an Organic Law, not aiming at environment protection but at satisfying consumer demand. Hence the law included a public certification system implemented by existing public agencies, a separate extension and information campaign directed at farmers (supply) and consumers (demand) and last but not least the establishment of the OFC. Hence, the law involved direct changes in all domains other than the market, which it was supposed to influence – and which it did influence through the establishment of specialised firms and increasing sales. These changes thus imply that organic farming was established with some autonomy and strength in all four domains without being in overt opposition to general agriculture institutions. Within this environment, the first real growth in the number of organic farms took place.

The second institutional change involved only the institutional setting domain and was an internal change of the Organic Farming Council (OFC). No formal change took place, but the work of the OFC changed qualitatively around 1990. The change implied that the OFC became the main forum for discussion of organic farming topics. At the same time all board members (following a number of changes in board composition) appeared to be pro-organic. Hence, the OFC had changed from an unsettled organisation to that of a policy community, working on issues central to the daily working of organic farming and based on consensus about a positive view on organic farming among members.

Gelöscht: ¶

The third institutional change took place roundabout 1993 and it encompassed all four domains. It originated in the farming community where the number of organic farmers entered a phase of stagnation – partly as an effect of the difficulties of selling the large quantities of products stemming from the growth prompted by the public support scheme. In attempts to solve these problems, the organic farmers' established OLC. The activities of OLC to try and solve the problems in the market domain coincided with events taking place in the agriculture policy domain when EC Regs. 2092/91 (on certification) and 2078/92 (on support) were implemented. In July 1993, FDB released – together with the organic farmers' producer organisations – a huge marketing campaign. Its effect on consumer demand was so strong that the stocks of organic produce were soon depleted. The commercial success of organic food in turn influenced the farming community where the organic farmers succeeded in pushing the umbrella organisation of general farming organisations to accept organic farmers as a serious part of agriculture and soon the general farmers' unions established separate organisational structures for organic farmers. In the agriculture policy domain a more pro-organic government had taken office and initiated a strategic development plan for organic farming – API – in response to the lack of supplies. The API was prepared by the OFC, and this involved a new qualitative change, as strategic planning had never before been an issue for OFC. In doing this work, the OFC continued to keep a low profile and seek consensus among the members. The growth of organic

Gelöscht: ¶

farms took off, when the general farmers' co-operatives paid extra conversion support in 1995 and – later on – when changes in public support and information on the high profitability of organic farms relative to that of conventional farms – attracted new groups of farmers.

A fourth institutional change occurred around 1999, which affected three of the four domains with no change appearing in the institutional setting. This time, change was inspired by foreseeable problems of co-ordinating production and sales resulting from the growing interest among Danish farmers to convert to organic production. These problems led to the creation of a new Action Plan, APII, which concluded with a recommendation to consider exports. The organic farming associations introduced a double strategy or division of work according to which LOJ should work for organic farming purity while OLC should stand for producer pragmatism. On this basis the two organisations established a joint House of Ecology with a joint management and staff but separate boards. In the food market domain, several large food sector firms merged with organic firms in attempts to strengthen the position of both. In the agriculture policy domain some tension arose because support for organic farming began to be justified by environmental concerns rather than by the original market concern.

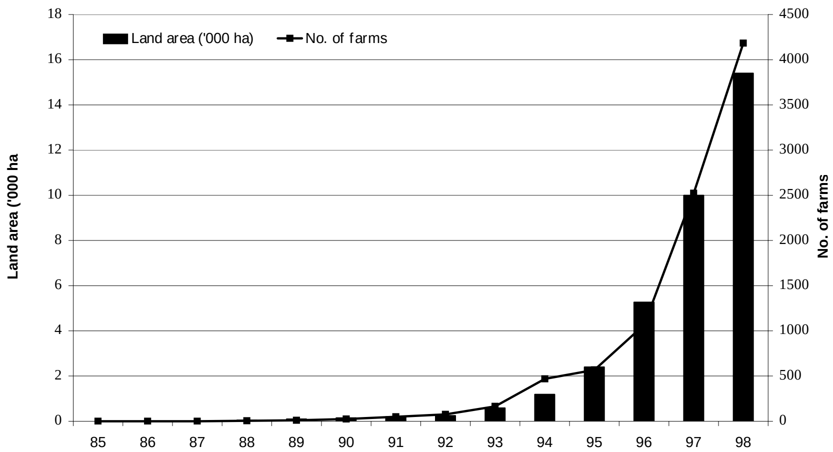
As demonstrated for each domain, it is justifiable to talk of creative conflict rather than pure co-operation or pure competition within all domains. This is also reflected in changes in the growth of organic farming. The period of stagnation around 1993 occurred at the same time as organic farming appeared able to reorganise in such a way that it seemed possible to take action in developing strategies for initiating growth and coping with growth. Within all domains organic farming is clearly identified and has a well-defined general agriculture counterpart with which a complex interrelationship is developing. The only domain where conflict is not so clear is within the policy domain where organic farming receives increasing support. Here, conflict is, however, reflected in the fact that support increasingly has begun to originate in the Ministry of the Environment although still administered by the Ministry for Food. It also appears that the conflicts are not resolved but that they continue to produce policy issues and solutions in support of organic farming – in other words the conflicts continue to be creative. This seems to be interrelated to the fact that in the three largest of the institutional changes there are close and direct links between events that took place in all domains. A development in one domain seems to release, or be released by, action in other domains. In this way, institutional change may originate in any domain and have effects on all other domains and it seems that this promotes change and openness between domains, which in turn seems to have established a fertile climate for organic farming growth in Denmark.

5 Greece[9]

5.1 Background

The development of organic farming in Greece can be divided into two phases as indicated in Figure 5-1. The first period includes the 1980s when growth only occurred in certain areas (in particular, the Peloponnese) where foreign trading companies contracted farmers to produce organic products for export. As no Greek inspection and certification bodies existed at that time, certification was carried out by SKAL of the Netherlands, Naturland of Germany and other foreign organisations. The second period of development followed the implementation of EC Regs. 2092/91 and 2078/92 in the mid-1990s and is characterised by a very rapid increase in organic land. Between 1993 and 1997, the organic land area experienced annual growth rates of over 50 per cent, reaching a figure of 10,000 ha on 2,514 holdings in 1997. However, organic farming support paid on the basis of EC Reg. 2078/92, was only received by owners to about sixty per cent of the converted land (5 694 ha) in 1997 because the EU Commission, up to 1999, only agreed to cover the expenses of support paid to an upper limit of 6 000 ha of organic farm land.

Figure 5-1: Development of the land area and number of organic producers in Greece from 1985 to 1998



Source: Foster and Lampkin (2000)

[9] Prepared by Carolyn Foster, Kennet Lynggaard and Johannes Michelsen on the basis of interviews carried out and summarised by Ersi Zacopoulou and Carolyn Foster.

Today, the structure of Greek organic farming is quite different from that of most other European countries as 88 per cent of the area (in 1998) is used in horticulture and perennial crops production (mainly olives for export) while the EU average for organic horticulture is just over 12 per cent (Foster and Lampkin 2000). The largest concentration of organic farms is still in the Peloponnese.

During the 1980s the main actors influencing the development of organic farming in Greece were foreign companies, which contracted organic farmers and developed the Union of Agricultural Co-operatives of Aegialia. In the 1990s, however, two types of national players began to dominate. Firstly, the Ministry of Agriculture established the Office for Organic Products and set up of specific programmes within the framework of the EU regulations. Secondly, the two major Greek certification bodies, DIO and SOYE, developed.

5.1.1 Main questions for the in-depth study

The point of departure for the Greek in-depth study is why conversion to organic farming developed so quickly in spite of the apparent low uptake of public support, the apparent lack of organisations other than certification bodies interested in initiating and backing up the development of organic farming within the farming community and, finally, a poorly developed market for organic food. To sum up these issues: Is there a national basis for promoting the support of organic farming when it meets bureaucratic barriers? Or, did the national development of organic farming take place in the absence of any strong institutional basis? The main issue is illuminated by questions regarding the four domains of the farming community, agriculture policy, the food market and the institutional setting. As part of the in-depth study, eight interviews were undertaken in Greece. The interviewees were all officials of the institutions the four domains mentioned.[10]

5.2 Institutional changes within the farming community

5.2.1 Organic farming organisations

There is a low level of organisation amongst organic farmers, both regarding professional representation and as regards the processing and

[10] The respondents were: a representative of the Office of Organic Products within the Ministry of Agriculture (organic agriculture administrator), a representative of the Department of Environmental Protection within the Ministry of Agriculture (agriculture administrator), a representative of the Panhellenic Confederation of Farmers' Co-operatives of Greece PASEGES (general farmers' co-operative representative), a representative of the Union of Agricultural Co-operatives of Aegialia (general farmers' co-operative representative), a representative of Division of Agriculture Development of Achaia (local agriculture administrator), a representative of the Association of Ecological Farming of Greece (SOYE) (organic farmers' organisation representative), a representative of the certification body DIO (organic certification representative) and an organic farming consultant (organic farming consultant). All interviews were done in May 1999.

marketing of the products. The percentage of organic farmer-members of professional organisations is very small. Those organic farmers who have decided to establish organisations have done so at the level of local collectives, or more informal groups of interested producers with nearly no formal ties between them. Some of these local collectives were set up to provide services to their members (information, assistance in dealing with bureaucratic procedures, etc.), others, in addition, dealt with the collective marketing of products, whilst a few have also set up their own certification bodies. So far, these organisations have developed few working ties. There are approximately ten local organic farmers' associations in which 10-15 per cent of all organic farmers belong, but they cannot be characterised as purely professional organisations.

Alongside these local organisations, there are also two national organisations. One is the Ecological Farming Association of Greece (SOYE), established in 1985, which is an association of scientists, producers and consumers. The other is the Union of Organic Farmers of Greece (EEBE) – a producer group established in 1993 that represents producer interests. Most of EEBE's founding members previously belonged to SOYE. These two organisations have different functions and were, up until a few years ago, the sole organisations in the country representing organic farmers. According to the representative from SOYE, the two organisations do not have a *"working relationship"* (source [future abbreviation s:] organic farmers' organisation representative).

In 1993, a Department of Certification was created by SOYE and it is now certifying 23 per cent of the total Greek organic area. The other main certification body, DIO, was also established in 1993. It certifies 72 per cent of the total Greek organic area. Phisiologiki – a local inspection and certification body in the Macedonia region that was established in 1994 – certifies about 5 per cent of total Greek organic area (Willer 1998). Both national certification bodies co-operate with local organic farmers' groups and give advice regarding issues relating to organisation (s: organic farmers' organisation and certification representatives). As far as communication is concerned, DIO has always had good relations with EEBE. Collaboration between SOYE and DIO is, on the other hand, limited due to different perspectives regarding the operational principles of the certification bodies and conflict over interpretation of standards. The relationship of organic farmers with the certification bodies is generally considered positive (s: all interviewees).

SOYE, DIO and EEBE all support the view that local collectives of organic farmers should organise themselves into Federations or Unions, which would then be able to form a Panhellenic Confederation of organic farmers. With the encouragement of EEBE, five such Federations have so far been created: the Union of Organic Farmers of Arcadia (1996), the Union of Organic Farmers of Laconia (1996), the Union of Organic Farmers of Helia (1997), the Union of Organic Farmers of Thessaly (1999) and the Union of Organic Farmers of Western Macedonia (1999). EEBE plans to register these Federations as its members in order to become a Confederation itself, in the hope that this will increase the as yet minimal level of co-operation among organic farming organisations. Currently, however, EEBE has only a few members and hence cannot be considered representative for organic farming.

5.2.2 The general farming community and organic farming

In the early days of organic farming in Greece, organic farmers encountered some antagonism and scepticism from mainstream farmers in regions dominated by intensive farming. The problems associated with mainstream farming and an increasing public debate regarding negative health consequences of non-organic farming for both the producer and the consumer, have contributed to an increasingly positive image of organic farming. The reputation of organic farming among farmers has improved through practical examples, for instance showing that diseases affecting certain crops (e.g. citrus) have been successfully dealt with through organic means.

At the organisational level, most officials of the general farming organisations do not have negative attitudes towards organic farming (s: all interviewees), but on the other hand very few, in practice, are actively involved in its development. This is in large part caused by the fact that many general farming organisations are facing serious administrative and financial difficulties, which prevent their involvement in yet another sector that will widen their activities (s: agriculture administrator, general farmers' co-operative and organic certification representatives).

Organic farmers are usually members of Greek general farmers' organisations, but only in a few instances the organisations offer organic farmers some separate provision. One case is the co-operative of Aigion in the Peloponnese where some of the staff, since about 1982, has been working exclusively a group of organic farmer members. Another example arose out of The Cretan Agri-environmental Group, which is a non-profit organisation of scientists, producers and consumers established in 1994. In 1996, a large number of its producer members founded the Co-operative of Organic Farmers of Messara, which is now involved in the standardisation and trading of organic olive oil. In 1999, this cooperative became an official member of the general agricultural cooperative, the Union of Agricultural Cooperatives of Messara. In 1989, the BioTop co-operative of organic farmers was founded as a member of the Alexandria Union of Co-operatives and was involved with the standardisation, processing and trading of organic products. In 1994, some of its members founded Phisiologiki – the regionally based inspection and certification organisation. This eventually led to the cessation of BioTop's activities in 1996. Such examples have for the most part been initiated and driven by individuals who have taken a special interest in organic farming. In 1992, PASEGES – the Panhellenic Confederation of Farmers' Co-operatives of Greece – established a department of organic farming, which examines all issues related to the development of organic farming in Greece in general, including policy issues, in order to provide information to its members.

Organic farming is not an issue for debate between farming organisations, local governments or other official agents – neither at the local nor regional level. Similarly, there have been no collective reactions against organic farming on the part of particular social or professional groups. This can be attributed to the fact that the level of development of organic farming and its economic value in most parts of the country is still relatively insignificant (s: general farmers' co-operative and organic certification representatives). Hence, the development of organic farming has not encountered any organised reaction from individuals or organisations in Greece.

Among the general farmers' unions, the general view seems to be – although never stated officially – that organic farmers should be more autonomous and organise themselves outside of the current network of general farming organisations (s: national and local agriculture administrators, general farmers' co-operative representative).

5.2.3 Research, training and advisory services

Hardly any organised provision exists in the area of training and advisory services, except for seminars organised by the above-mentioned organic farming organisations. Although organic farming is increasingly the subject of annual educational seminars offered by the Regional Divisions of Agricultural Development, these seminars are usually short and lack the expertise of specially trained agronomists.

Gelöscht: ¶

There seems to be a great need for the organisation of a wider and more in-depth educational programme (s: all interviewees). According to one of the Ministry of Agriculture representatives, the ministry has designed an extensive educational programme in organic farming for the purpose of the education and training of the organic farmers operating under EC Reg. 2078/92. This is awaiting ratification by the EU.

Gelöscht: ¶

Publicly funded agronomists employed by the Regional Divisions of Agricultural Development, who provide free advice to the farmers, carry out the majority of agricultural advisory work in Greece. Apart from this, there is little organised institutional provision of information and advice to organic farmers – whether public or private. Very few of the agronomists of the Regional Divisions are specially trained to deal with organic farming and seldom seem to be in a position to act effectively as consultants to organic farmers (s: organic farming consultant). Private, freelance agronomists attempt to fill this gap, but many farmers are unwilling to pay for a service, which is generally provided free of charge. In addition, these private agronomists are mainly involved with mainstream farming and many of them are traders of artificial inputs such as fertilisers and pesticides and thus represent a potential conflict of interests (s: all interviewees).

Gelöscht: ¶

Regarding research in organic farming, only one or two individual professors and the Mediterranean Agronomic Institute in Chania (MAICH) are involved at a university level, while some other types of research tend to be initiated by the producers for their own specific needs (Willer 1998).

5.3 Institutional changes within agriculture policy

Two sections of the Ministry of Agriculture deal with organic farming. It is the Office for Organic Products (OOP) and the Directorate of Land Use Planning and Environmental Protection (DLUPEP – located within the

Department for the Protection of the Environment from Agricultural Activity). The application of EC Regulation 2092/91 is the responsibility of the former, as is the development of the objectives and targets for the implementation of 2078/92. The latter directorate is concerned with the implementation of EC Reg. 2078/92, while the implementation at ground level is devolved to the Regional Divisions of Agricultural Development.

Gelöscht: ¶

Political parties and most officials of the general farming organisations have a generally positive attitude towards organic farming (s: all interviewees). No difference in attitude is noticeable as regards the political persuasions of the various officials and organic farming has never been connected to any particular political trend or movement. Some officials, however, do express reservations about organic farming in terms of its productivity and profitability (s: organic agriculture administrator and general farmers' co-operative representative).

Gelöscht: ¶

The position of the political leadership of the Ministry of Agriculture towards organic farming has been generally positive over the past few years. The development of organic farming correlates with the common position of all the parties involved in agriculture, namely, that Greek agriculture must be oriented towards the production of high quality goods. The position of the staff of the Ministry, with few exceptions, is also positive (s: organic and agriculture administrators as well as organic farmers' organisation, certification and consultant representatives).

5.3.1 Policy formulation and implementation

EC Regulation 2078/92 is implemented through Programmes for Organic Farming of which there have been two up to now. The first programme approved by the EU ran from 1995-1997 and included a total national target of 6 000 ha organic farmland. According to the ministry representative, the programme was successfully completed in 1997 with the absorption of all the land and respective allocations, which leaves about 4 000 hectares of organic land left without public support (see Figure 5-1 and Foster and Lampkin 1999, 2000). In this first programme, priority and approval was given to applications from mountainous and island regions (mostly olive producing) and there was no upper limit of the amount of land to be included per prefecture. As a result, the first programme was implemented in certain prefectures only, such as those of Achaia, Messinia, Lakonia and Chania. The premise behind the first programme appears to be an attempt to encourage an integrated development of cultivation systems in areas where the intensive model of farming does not dominate, that is, in island and mountain areas. Hence, organic farming is used as a means to encourage economic development in these areas. In the words of one interviewee:

"*We see organic farming as a kingpin for regional development*" (s: organic agriculture administrator).

Gelöscht: ¶

After a period of assessment and evaluation of the first programme, the Second Programme for Organic Farming was designed and submitted for approval to the EU. In this Second Programme, the Ministry is aiming for

"*a more regionally balanced development of organic farming and a proportionately better representation of the country's main products*" (s: agriculture administrator).

In order to reduce the geographic dispersion of organic farms within each region organic farming zones are being created, based on an equal number of hectares in each prefecture with an upper limit of 200 ha per prefecture. Each prefecture is required to design a Programme Implementation Plan, which is then approved by the ministry, thus involving local authorities in the implementation of the Programme. Due to a delay in the approval of this programme by the EU Commission, there were no new inclusions under EC Reg. 2078/92 during 1998.

Gelöscht: ¶

The Regional Divisions of Agricultural Development are responsible for the implementation of the programmes at ground level. This process is particularly bureaucratic and time consuming for the divisions and imposes many extra administrative obligations on the farmer, which have to be controlled by the regional divisions. The regional divisions are also responsible for information and advice to farmers about the programmes. However, the human and financial resources available to carry out this work effectively are scarce (s: national and local agriculture administrators) and this has not been done in an equally effective or co-ordinated way throughout all prefectures. This seems to have led to tensions with the certification bodies. Poor communication between the national ministry and the regional divisions does little to help this situation. At the regional level, a dialogue on organic farming between the various agencies (co-operatives, organic farming associations, prefectures, etc.) has not developed. This is partly evident from the fact that the Programme Implementation Plans were exclusively designed by the Regional Divisions of each Prefecture without the involvement of other local agencies (s: organic agriculture administrator).

Gelöscht: ¶

Although the shift in emphasis in the second programme brings the Ministry closer to the attitude of certification bodies, there are still differences in opinion on the premise behind the policy. The certification bodies believe that a long-term aim should be the complete conversion of the current mainstream system of food-production. For this reason, the certification bodies did not agree with the high priority given in the First Programme to subsidies for the island and mountain areas, nor did they agree in the equal distribution of hectares between all of the country's prefectures in the Second Programme. They claim that organic farming should be developed in those parts of the country where mainstream farming is already well developed, and where the agri-environmental costs are therefore larger. They also believe that more attempts should be made to direct policy towards areas of market demand (s: organic farming consultant).

Gelöscht: ¶

Aside from the possible need to re-define the aims and strategy of national policy, better organisation and mode of application of this policy seem to be an urgent need, as well as the necessity to make the agents involved in its application far more effective (s: all interviewees).

"*There is a lack of organisation and an inconsistency in the way it [i.e. the Ministry (editor's note)] acts.*" (s: organic organisation representative).

This is attributed less to negative attitudes, and more to lack of resources and staff.

5.3.2 Consequences and results of national policy

Prior to the application of EC Reg. 2092/91, in 1993, and EU Reg. 2078/92, in 1996, Greece had no national policy on organic farming. Nor was there any private certification system for organic products, apart from foreign certification bodies operating in Greece for export purposes. As such, the application of the EU regulations had as an initial and most important positive effect, the formation of an official policy on organic farming (s: all interviewees). Along with this came the first wave of information dissemination on the issue, which raised awareness of organic farming by all involved in agriculture.

Gelöscht: ¶

It is relatively easy for Greek farmers to obtain certification under EC Reg. 2092/91. It is mainly farmers with small agricultural land-holdings for whom the fee paid to the certification bodies is relatively high that experience problems. In contrast, inclusion under support paid according to EC Reg. 2078/92 is difficult for Greek farmers. Procedures are particularly bureaucratic and the application process is especially laborious and time-consuming. Organic farmers often encounter problems in relation to both the Regional Divisions for Agricultural Development and the Ministry.

The application of the programmes, especially the First Programme, encountered many administrative problems, and the farmers were constantly confronted with contradictions and inconsistencies (s: general farmers' co-operative representative, local agriculture administrator, organic farmers' organisation, certification, and consultant representatives). Regarding the Second Programme, it was presented to the EU at the beginning of 1998 but ratification procedures were not completed until the end of 1998 and hence implementation of the Second Programme could only begin at the start of 1999. This delay created problems for farmers in many areas who, due to lack of communication from the Ministry, were encouraged by the Regional Divisions to convert only to find that they could not after all be included in the programme in 1998. Problems have also been created by the limits set to the number of hectares in the new Programme and the creation of organic farming zones that excluded farmers with landholdings outside the zones (s: national and local agriculture administrators as well as general farmers' co-operative representative).

Despite these problems, unknown to many farmers when they decided to convert, there is a significant interest among Greek farmers in applying for support under the Programme for Organic Farming. The interviewees attributed this to the following factors:

1. The incentive provided by the subsidies (s: all interviewees). The subsidies are not equally significant for all products and do not

therefore provide the same incentive for all farmers. Hence, it is the level of subsidies paid rather than market demand that governs the composition of organic farm production (s: agriculture administrator).

2. A general crisis in Greek agriculture has led to decreasing prices and lack of markets for agriculture products and hence an interest in products receiving price premiums and/or public subsidies (s: general farmers' co-operative representative, organic farmers' organisation and certification representatives).
3. It is relatively easy to convert for many farmers who apply Greek traditional methods of farming (s: national and local agriculture administrators, general farmers' co-operative and organic consultant representatives).
4. Farmers see organic farming as a new niche, which is particularly suited to the small-scale, less intensive Greek agriculture (s: general farmers' co-operative representative).
5. The availability of information and knowledge of organic farming has in itself made farmers consider organic farming as a new opportunity (s: general farmers' co-operative representative).
6. To some Greek farmers, the intensive mainstream European model of farming is seen as a main cause for problems regarding for instance reduction of soil productivity and a permanent emergence of certain diseases in agricultural holdings (s: general farmers' co-operative and organic consultant representatives).

5.4 Institutional changes within the food market

5.4.1 Structure and development of the market

Since the early/mid 1980s the sale of Greek organic produce was based mainly on exports, organised by a few foreign trading companies. There is no official data on exports, but estimates suggest that 75 to 90 per cent of Greek organic products are still exported, mostly to other European Union countries (Michelsen et al. 1999). In recent years, domestic actors have become involved in exporting organic products. The largest exporters are the Union of Agricultural Co-operatives of Aegialia (trading in organic currants, olive oil and lemons since 1982), Blauel in Mani, which began its activities with organic olive oil in 1988, BIOZEUS (founded in 1997) in Kalamata and the Union of Agricultural Co-operatives of Messara, which has been involved in the trading of olive oil since 1996. Other yet smaller companies export as well, as do a small number of individual organic farmers with larger landholdings. Most of the companies mentioned also export non-organic produce. Since 1995, a small number of local organic farmers' organisations have formed trading companies with the help of EU programmes such as LEADER. These companies trade only in organic products. In general, there are only minor conflicts between the farmers and the traders of organic products.

The certification bodies are not involved with the marketing of products. However, DIO publishes information on the development of demand in the international markets (s: organic and agriculture administrators; organic farmers' organisation and certification representatives).

Gelöscht: ¶

The international market is believed to become increasingly important for Greek organic producers as demand is expected to continue to increase. However, Greek organic products are not particularly competitive because of high costs of distribution and marketing (s: most interviewees). Greek organic production is limited regarding range of products (mostly olive production) and quantity and it restricts the extent to which traders can make contracts with foreign companies, which require large quantities of consistent supply. The fact that, aside from olive oil, all other organic products are farmed in small quantities has also prevented the development of processing for organic products thereby reducing the value added which could accrue from these exports.

Gelöscht: ¶

5.4.2 The domestic market for organic products, networking and marketing strategies

There are no details for the development of the internal market for organic products on the domestic market. However it appears that demand in the domestic market has increased, demonstrated in part by an increase in the number of points of sale for organic products and the quantity and variety of imported products (s: all interviewees).

The majority of organic products are sold either through health food shops of which there are about 40 in the whole country, and – to a lesser extent – at local street markets. Around 1998, "Vasilopoulos" – a supermarket chain with the widest variety of all types of products and the highest prices – began to sell organic products in separate display units. Finally, an unknown quantity of organic products is sold directly to the consumer through informal networks. The largest demand for organic products originates in the two large urban centres of Athens and Thessaloniki.

Gelöscht: ¶

Gelöscht:

In comparison with other European countries, domestic demand remains low. The informants attribute this to a series of factors many of which are interlinked:

Gelöscht: ¶

1. Lack of organised distribution (collection, packaging and standardisation, transportation, distribution),
2. Lack of consumer trust because of insufficient information regarding definitions of organic products, their value and how they can be recognised in the market place.
3. A restricted number of sales outlets for the products and the lack of development of local markets
4. Insufficient supply of basic products for everyday consumption, such as vegetables, fruit and bread;

5. High consumer prices and high marketing costs for the producer due to a combination of factors, including geographical dispersion and lack of market organisation

One interviewee expressed it in this way:

"*We are in a vicious circle. High prices are due to the fact that the quantity of organic products channelled into the domestic market is small. On the other hand, as a result of the lack of organisation of the market, many farmers end up selling their products as conventional ones and are thus discouraged from wanting to increase their production*" (s: organic organisation representative).

Hence, networks for the promotion of organic products to the consumer are lacking although some attempts have been made. In Athens one attempt failed mainly because of a limited product range (s: general farmers' co-operative representative, organic and agriculture administrators). On a regional level, EU programmes for the development of market networks are seen as under-utilised (s: all interviewees). At the national level, the Ministry of Agriculture is attempting to broaden the activities of the existing public Organisation for Exports Promotion to create a network of exporters of organic products (s: organic farming administrator). In addition, DIO is planning to establish an Information Centre concerning the development of supply and demand for organic products.

5.5 Changes within the institutional setting

Within the three domains of the farming community, agriculture policy and the food market in Greece, there is a low level of organisation and institutions involved in organic farming are rather inexperienced. The two major certification bodies do not collaborate and their communication with smaller regional organic farming groups appears to be limited. The third main organisation, EEBE, promotes the establishment of a series of federations of organic farmers but is not considered representative of organic farmers. Hence all in all there is no organisation aiming at connecting organic farming activities across domains.

Similarly, there is no attempt of combining organic farming and general agriculture institutions across domains. Although DIO has contact both with trading bodies and institutions in the policy domain, there is no initiative to establish a co-ordinated forum that covers all domains. Despite the fact that the ministry includes the certification bodies as well as PASEGES and EEBE in consultations on organic farming policy, there are still disagreements as to the focus of the policy and there is no attempt to create a common ground for co-operation between the actors involved. Collaboration between the certification bodies and the Regional Divisions of Agricultural Development is described as "poor" (s: local agriculture administrator), although it is acknowledged by both parties that there is a need for closer co-operation in order to provide effective feedback to the ministry on organic farming policy formulation and implementation. Finally, no collaboration exists between the organic food market and policy institutions and relations between the food market and farming community institutions are underdeveloped.

5.6 Summary and tentative conclusions

Greece has no long-standing tradition of organic farming. After a period in the 1980s when foreign companies initiated organic farming, the main development of Greek organic farming occurred in the late 1990s following the implementation of EC Regs. 2092/91 and 2078/92. It seems that an important driving force behind this development was merely the promise of subsidies available through EC Reg. 2078/92 combined with a crisis in agriculture in general, which includes very low prices for some products. In addition, EC Reg. 2092/91 had a significant impact on the supply of organic produce because it helped to establish a domestic certification system for organic products for the first time. Previously, Greek organic produce had been inspected and certified by foreign certification bodies. Although subsidies may have triggered conversion, far from all Greek organic farmers have actually received EU support, because of limitations in the national implementation programs. Hence, the strong growth in Greek organic farming cannot only be explained by the availability of public subsidies. Expectations of public subsidies seem to have played a role together with the effect of the EU measures to increase farmers' attention towards the option of organic farming.

The little information available on market structures shows a few large exporting firms supplemented by some minor firms of which only a few trade in organic produce only. The domestic market is small and weak but developing. Regarding the institutional set up of the organic farming community, two certification bodies embrace most of the Greek organic farming community, while other organisations that represent organic farmers' interests or organise co-operatives are, in general, very weak at the national level. At the local level, some organisations appear very successful in representing organic farmer interest as shown by the example of Aegialia coop. Apart from certification bodies, the main organisations to promote organic farming are those of the Ministry of Agriculture and the regional offices (the Regional Divisions). Against this background the institutional basis for organic farming in Greece seems weak and vulnerable to changes in the agriculture policy domain. To sum up in terms of the interrelationship between organic and general agriculture institutions, Greece is characterised by *pure co-operation* and the organic farming organisations seem so weak that the situation is close to silence on the distinctiveness of organic farming. This characterisation is maintained in spite of some tension between organic farming organisations and agriculture policy agencies, which, however, have neither developed the interrelationship in the direction of competition nor in the direction of creative conflict.

Gelöscht: ¶

5.6.1 The institutional environment

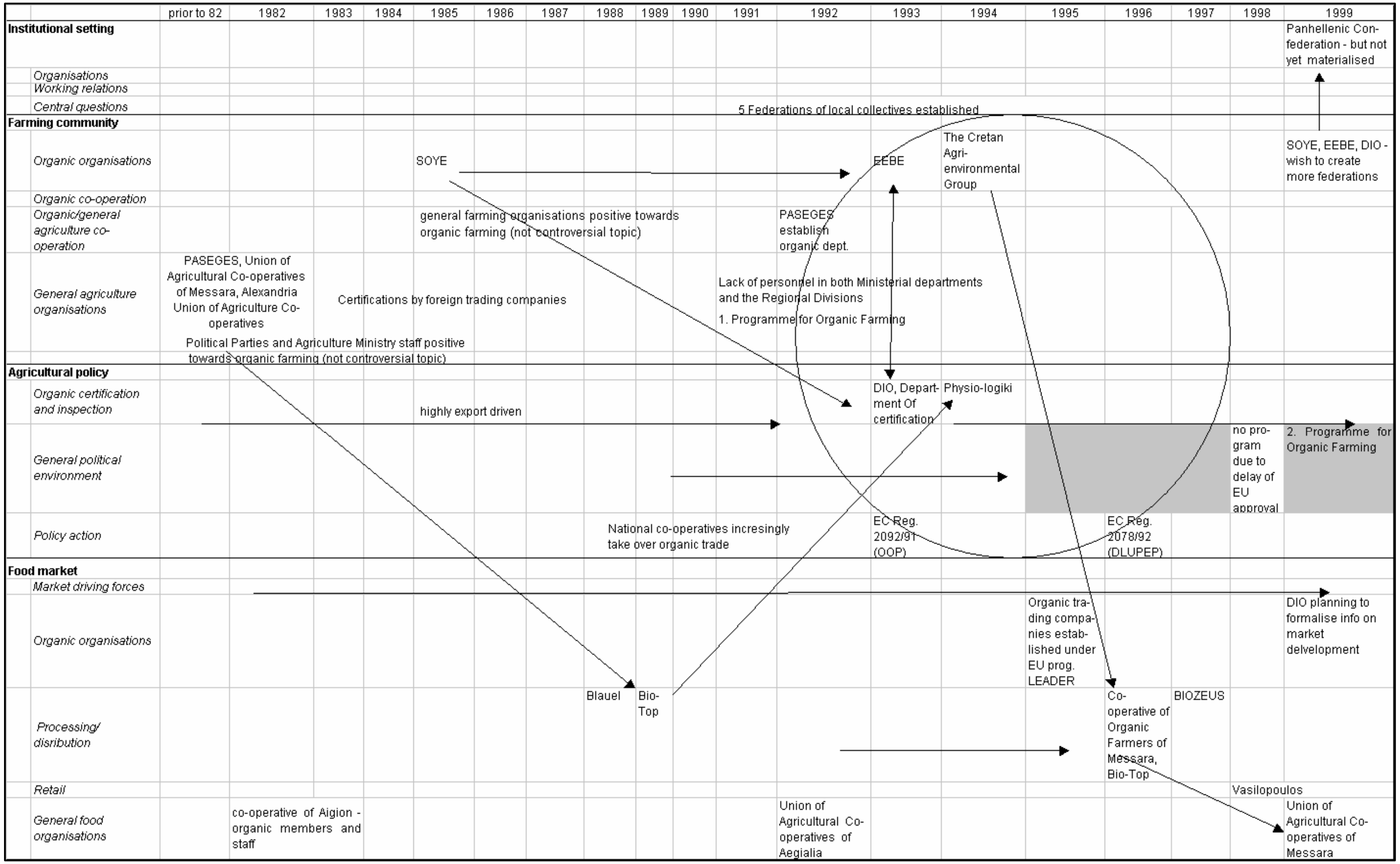
The institutional environment of organic farming in Greece is illustrated in Figure 5-2 and will be summarised here for each domain and regarding the development over time. Within the farming community, organic farming organisations are organised mostly at the local level with few working ties between them. Among national organisations representing organic farmers, only a small percentage of organic farmers are members of the organic farmers' union (EEBE) and therefore it cannot be considered to be representative. In addition, EEBE does not co-operate with general farmers' unions. The two largest certification bodies include nearly all organic farmers but are competing against each other. Neither of these organisations is seeking to establish a common platform for the discussion of organic farming issues either within or across the domains. The majority of organic farmers are members of general farmers' organisations, such as co-operatives and/or farmers' unions. General farmers' organisations seem to have a positive attitude towards organic farming but only one organisation, PASEGES, which operates nationally, has taken action by setting up a department for organic farming in 1992. At a regional and local level, general farming organisations have taken a rather passive or indifferent stance.

In the agriculture policy domain two departments within the Ministry of Agriculture began dealing with organic farming when the EC Regs. 2092/91 and 2078/92 were implemented. EC Reg. 2078/92 was implemented through programmes for organic farming running for a limited period and involved the Regional Divisions. The administrative agencies at both levels seek to promote organic farming, but many problems have occurred which have made it difficult for farmers to obtain the available support. A recent problem was the late approval by the EU of the Second Programme, which left some farmers without support. The public agencies appear understaffed and communication between the central organisations and the regional offices seems poor. Furthermore, the two ministerial departments have not developed a unified approach to the various issues relating to organic farming. Finally, tensions between the main organic farming organisations and the regional offices seem to hamper feedback processes to the Ministry on organic farming policy.

A few individual firms or organisations dominate the market domain. Initially, only foreign companies operated in Greece, but recently domestic firms have entered the arena. They seem to have developed separate (mainly export) markets for their products and a domestic market is only just beginning to emerge. One certification body, DIO, is attempting to improve market performance by providing information specifically on export opportunities.

Finally, with regard to the institutional setting, there is no organisation aiming to connect activities across the domains of the farming community, agriculture policy or the food market. DIO has contact both with trading bodies and institutions in the policy domain, but is not attempting to act as a co-ordinator of action between the three domains. The Ministry consults with the certification bodies and farmers' unions (PASEGES and EEBE) but there is no attempt to create a common ground for co-operation between the actors involved. The need for collaboration at a local level is acknowledged but not put into practise.

Figure 5-2: The development of the institutional environment for organic farming in Greece 1982-1999



Against this background, it appears that organic farming in Greece first became defined by the EU regulations. It triggered the development of organic farming organisations, but they seem not to have a significant impact on the development of organic farming and they have not developed a distinct organic farming identity recognised by Greek society. Hence, the identity of organic farming seems more or less imposed on Greek agriculture by foreign forces. The interrelationship with general agriculture institutions rests on co-operation rather than competition, and co-operation seems to tone down the distinctiveness of organic farming – i.e. the interrelationship is very close to *pure co-operation characterised by silence on differences in farming systems*.

5.6.2 Institutional change

The development of organic farming in Greece has been short but hectic. SOYE and EEBE became the first national organisations for developing organic farming while certification was left to foreign organisations. Only a small number of organic farms were established under these conditions, which prevailed until 1993. The only institutional change in Greece occurred in the period 1993-1996. It involved the farming community and the agriculture policy domain and concerned the implementation of EU regulations for organic farming certification and direct financial support. The implementation triggered the establishment of the first Greek certification bodies, SOYE and DIO operating at the national level together with one regionally based certification organisation. The implementation of the EU regulations further triggered the involvement of public agencies, both at national and regional levels, in promoting organic farming. A major increase in the number of farms took place at about the same time, but there seems to be no clear-cut relationship between the two events, as many organic farmers did not receive public support. In that sense it seems that farmers' expectations of support and market development have pulled the development in Greece. But these expectations have not led to establishing a powerful institutional environment. Hence, it remains to be seen what the impact will be on organic farming development, if farmers' expectations are not satisfactorily met.

Gelöscht: The instituti
environment of organic
in Greece is illustrated i
5-2 and will be summar
for each domain and reg
the development over ti
Within the farming com
organic farming organis
are organised mostly at
level with few working t
between them. Among r
organisations represent
organic farmers, only a
percentage of organic fa
are members of the orga
farmers' union (EEBE)
therefore it cannot be co
to be representative. In
EEBE does not co-opera
general farmers' unions
largest certification bod
include nearly all organ
farmers but are competi
against each other. Neit
these organisations is se
establish a common pla
the discussion of organi
issues either within or a
domains. The majority
farmers are members of
farmers' organisations,
co-operatives and/or fa
unions. General farmers
organisations seem to h
positive attitude toward
farming but only one
organisation, PASEGES
operates nationally, has
action by setting up a
department for organic
in 1992. At a regional ar
level, general farming
organisations have take
passive or indifferent st
¶
Figure 5-2 in here, pleas
¶
¶

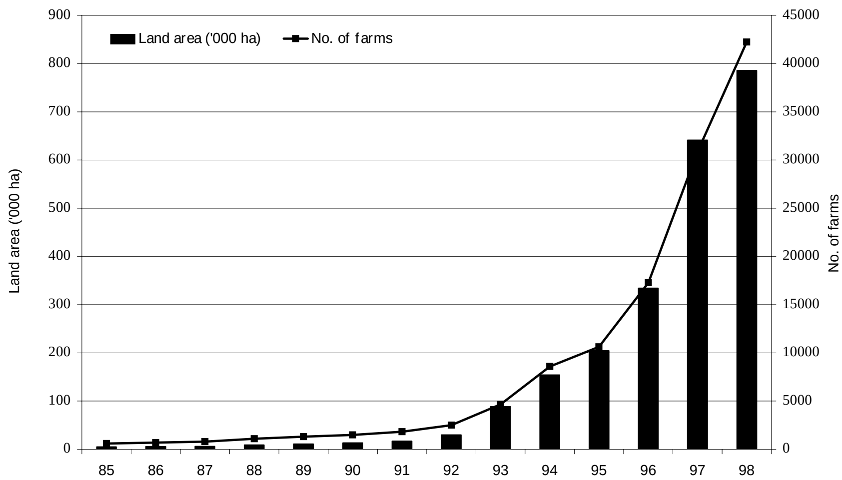
Gelöscht: ¶

6 Italy[11]

6.1 Background

Italy is characterised by a comparatively large organic farming sector, which has grown consistently since 1985 in an almost explosive manner from 600 farms in 1985 to 42 238 in 1998 as shown in Figure 6-1. Growth in the number of organic farms and in organic land area was relatively slow and steady in the first years, but after 1992 annual growth increased significantly. The increasing growth coincides with the implementation of EC Reg. 2092/91 on certification, which took off in 1992 and became finalised in 1995, as well as EC Reg. 2078/92 on support to environmental friendly farming – including organic farming – which was implemented between 1993 and 1996 in the different regions of Italy. However, far from all certified land has received support according to EC Reg. 2078/92.

Figure 6-1: Development of organic land area (total and policy supported) and number of farms in Italy from 1985 to 1998



Source: Foster and Lampkin (2000)

Hence, organic farming in Italy has seemingly been growing without direct relation to the support paid to organic farmers. Furthermore, the development of a domestic market for organic food is a rather recent phenomenon. That is, growth in the number of Italian organic farmers seems neither built on support nor on safe market conditions. In

---

[11] Prepared by Kennet Lynggaard, Johannes Michelsen and Raffaele Zanoli on the basis of interviews carried out and summarised by Raffaele Zanoli, Giorgio Schifani, Simona Naspetti and Carolyn Foster.

addition, the total picture of the development of organic farming in Italy is confused by the fact that the individual regions of Italy have developed quite differently with northern and central regions characterised by stagnation while major growth is found in southern regions and islands (see Zanoli 1998).

6.1.1 Main questions for the in-depth study

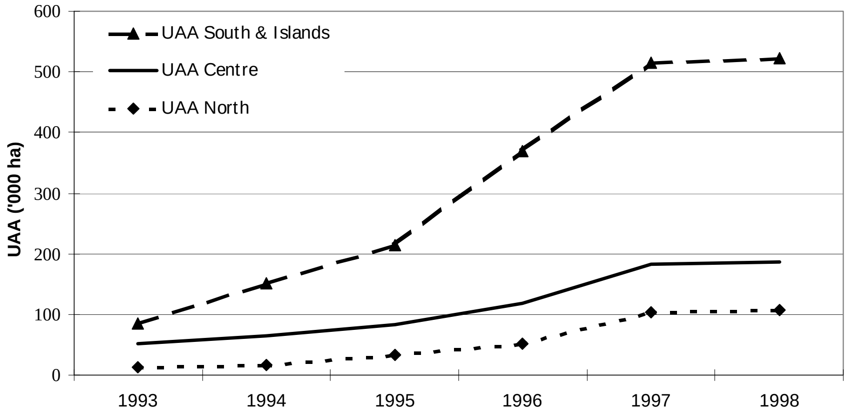
Only little information is available on the development of Italian organic farming. As organic farming seems to develop quite independently in different regions, the major issue for the in-depth study is to try to establish a total picture in two steps. The first step is to illustrate the variation among regions with a brief description of institutional changes in two regions that have developed in very different ways and search for possible explanations for the differences – emphasising institutional explanations. The second step is to analyse the institutional development in the whole of Italy. The two regions selected for the in-depth study are Marche and Sicily. Marche is situated in central Italy and has followed the general development of these regions, manifested in an early growth, which covered a substantial share of the total Italian organic farming sector, but a much slower development than in Italy as a whole during the 1990s. Sicily – on the other hand – represents the islands, which experienced considerable growth during the 1990s. In Figure 6-2, the different growth patterns during the 1990s for the two regions are compared to the overall national development. It appears that the organic area of Marche is growing slowly (the slope is consistently less than the Italian average), while the overall growth rate of the organic farming area in Sicily is similar to the Italian average but growth is less steady.

The two regions were studied on the basis of 11 interviews conducted in June 1999 – six interviews in Marche and five in Sicily. The respondents in both regions were selected to represent a wide number of interests and local expert knowledge covering all four domains of the institutional environment of organic farming[12].

Gelöscht: ¶

[12] Interviews in Marche included one organic farmer representative of AMAB; one representative of the Regional charter of agronomists; one representative of FIAO (Italian Federation of Organic Agriculture); one member of the co-operative Alce Nero; one representative of the regional office for agriculture, Marche Ministry of Agriculture; and one representative of IMC's (Mediterranean Institute of Certification) inspection activities.
Interviews in Sicily included two representatives of advisory systems of the regional offices for Sicily of national farmers' unions Coldiretti CIA; two representatives of the regional office for the Sicilian Ministry of Agriculture; and one representative of Coordinamento Siciliano per l'agricoltura biologica (a regional association for organic farming, an historical pioneering organisation grouping farmers as well as consumers and advisors).

Figure 6-2: Development of organic land area (total and policy supported) in Italy and the regions of Marche and Sicily from 1993 to 1997



Source: Zanoli (personal communication)

6.2 Marche

Marche was one of the first Italian regions to adopt organic farming on a substantial scale. Hence, many of the Italian organic farming pioneers come from Marche. Recently, though, the growth rate has been lower than in the later starting regions such as Sardinia or Apulia, or other pioneering regions such as Sicily.

6.2.1 Institutional changes within the farming community

It has been suggested that the history of the general organic movement in Marche relates to the birth of organic farming in the region and to the end of the sharecropping culture (s: organic producer representative). A similar explanation of the origin of the Marche development (and in general of Central and North-eastern Italian regions) is found in the peculiar industrial development that was proposed back in the early 1980s by the influential economist Giorgio Fuà and the associated school of thought (Fuà 1980; Fuà and Zacchia 1983). The so called “Marche model” (or “NEC-model” [= North, East, Centre-model]) of industrialisation points to the sharecropping culture as the most important institutional condition behind the “diffuse industrialisation” in the rural areas of the Marche region. Sharecropping was officially banned in 1964 and slowly phased out during the 1970s. Many sharecroppers became tenants, others bought the land from the original landlord and continued as family farmers, but the general outcome was increasing unemployment. The sharecropping institution had the merit of favouring a development of entrepreneurial capabilities among farmers in order for them to make a living and meet the landlord's rent expectations. At the same time, the need for saving to cope with years that yielded scarce crops had led to the accumulation of some capital. When these businesses eventually grew they could find cheap labour in the same rural areas – often persons from neighbouring family farms. Hence, this is the development of a decentralised industrial production system, localised in rural districts with low levels of social protection, of environmental regulation and of trade unionisation.

Gelöscht: ¶

Attempts to explain why most of the organic farming pioneers are from Marche and the other central and north-eastern regions (Tuscany, Umbria, Emilia Romagna, Veneto, Friuli) follow the same line of reasoning. Indeed, it is in these regions (and Sicily) where organic farming developed in the late 1970s and early 1980s. At that time, the main drive of the rural industrialisation had ended, but the desire to continue to settle in rural – albeit marginal – areas had developed new entrepreneurial ideas. At least in the northern Marche province of Pesaro, organic farming has this socio-cultural background. The most important experience started in the village of Isola del Piano and in the neighbouring villages. The charismatic figure and mayor of Isola del Piano in the 1970s Gino Girolomoni was a significant entrepreneur and founded the co-operative Alce Nero, which is still the largest organic pasta producer in Italy. A mixture of cultural factors and entrepreneurial skills (in the sense too, of a willingness to accept risk) made almost an entire village convert to organic farming, at a time when almost no organic market existed in Italy (source [future abbreviation s:] organic producer representative).

Gelöscht: ¶

A similar and related experience occurred in the second province of northern Marche, Ancona. Here, the second largest organic pasta-maker co-operative in Italy – Terra e Cielo – was founded in the small town Senigallia just a few years later (in the mid 1980s) on the basis of what can be seen as the first Italian experience in direct-income support to farmers (s: technical advisors' representative). One of the ex-farmers Bruno Massi, who developed an industrial activity while still running a part-time family farm, was at the time the president of the local "Associazione intercomunale" – a sort of sub-provincial district council with responsibility for health and agricultural planning policies. Bruno Massi established a subsidy system for organic farming in the area around Senigallia while co-founding, hosting and financing one of the first organic farmers' associations in Italy (AMAB). As a result not only AMAB but also the co-operative Terra e Cielo was born, grouping together all farmers that converted to organic farming in those years.

6.2.2 Institutional changes within the agricultural policy

As early as in 1987 the Green Party presented a bill concerned with support of organic farming in Marche. It was, however, not passed until

1990, making Marche the second Italian region to introduce such legislation (L.R. 57/90). A second bill (L.R. 44/92) was passed in 1992 and again the initiative came from the Green Party. This was the first regional law in Italy with specific provision of per hectare subsidies for both in-conversion and established organic farms. It also included subsidies for innovation and investment in improving the farming structure and processing capacity, and financial support for marketing and promotion. Organic farmers' associations were also financially supported. These subsidies anticipated – de facto – the EC Reg. 2078/92 in Marche.

Indeed, in this region, the first Italian experience of per hectare payments for organic farming was established, dating back to the mid 80s, many years before any other policy support (s: agriculture administrator, technical advisors' and organic organisation representatives). One person, Bruno Massi, then a politician and member of the Communist Party, is considered one of the most important people (together with Leonardo Valenti), for the region's development at that time. As president of the "Associazione Intercomunale", Massi introduced the idea of a policy support instrument for organic farming based on hectares of land farmed. He began with a two year experiment of a very limited scope including only a small area and few farmers. Nevertheless, this subsidy system helped the conversion of a group of farmers, which formed the nucleus of Terra e Cielo (s: technical advisors' representative). The political leadership of Marche in the organic farming legislation seem to be related to the particular interest of the Green regional councillor Marco Moruzzi who, in 1995, became regional minister for agriculture and, in 1998, passed a new regional law with more funding and other provisions for the development of organic farming. The role of Marco Moruzzi and of the Green Party in general is widely recognised. An organic producer representative, for example, declares:

"*Within the Italian institutional setting two people really believe in organic farming: the Minister of Agriculture for the Marche Region, Marco Moruzzi, and the President of the Agricultural Committee of the lower chamber of the National Parliament, Alfonso Pecoraro Scanio [*both from the Green Party*]*".

In general politics the Marche region is split into two parts. The northern part (the Ancona and Pesaro provinces) has, historically, had a strong farm workers' movement, illustrated by the high electoral weight of the former Communist Party (the PCI, which is the basis of three of today's parties) and of the Republican Party. In addition, the Green Party has its strongest electoral base in the northern provinces and the present Regional Minister of Agriculture is elected for the Green Party in the Ancona province. The southern part of Marche (the Macerata and Ascoli Province) is, with some exceptions, a traditional area with a strong conservative vote (formerly the Christian Democrats and the neo-Fascist Party, nowadays Forza Italia and Alleanza Nazionale). The diffusion of organic farming, which is concentrated in the Northern of the Marche, has some relationship with this political tradition. Farmers in Ancona and Pesaro were keener on "alternative" practices and movements, in opposition to an industrial approach to farming. Furthermore, the co-operative movement – especially that of red/green origin – was traditionally stronger in the Northern provinces than in the Southern ones, and both pioneering experiences (Alce Nero and Terra e Cielo) ended up in co-operative formations. This has helped the emergence of organic farming as an “antagonist” way of farming, by the implicit alliance of the organic movement with the co-operative movement.

However, the favourable political environment, which organic farming has enjoyed in recent years in Marche, has not been enough to push the rate of adoption at the same level as in other regions. This is to some extent explained by a continuing low level of involvement of general farmers’ unions. Although they do not expressly hamper the development of organic farming, neither do they express any particular support for it.

Gelöscht: ¶

6.2.3 Institutional changes within the food market

Marche is mainly a cereal and wine-producing region. This may partly explain why organic farming – albeit a growing sector – did not show the dramatic growth rates of other regions such as Sicily. Cereal production – especially durum wheat production – is increasingly facing the problems of cuts in producer prices at the European level accompanied by an increasing level of international competition. Even organic cereal processors – including pasta-makers such as Alce Nero and Terra e Cielo – are now looking to low-price imported organic wheat as a way of reducing costs and surviving increasing competition. The wine sector includes organic producers, and even a large processor of mainstream products has moved into the business in the early 1990s. However, the general demand for quality wines, including many of the Marche quality labelled DOC wines, has increased substantially in recent years and the market has played against a larger level of uptake in organic wine production (Zanoli and Naspetti 1999). Thus, in recent years, Marche organic farmers have faced both a reduction in prices and an erosion of price premiums for organic cereals.

Gelöscht:

6.2.4 Summary of institutional changes in Marche

Within the farming community, a significant condition for organic farming development has been the socio-cultural history of the region and the sharecropping culture, and the embedded entrepreneurship has been favourable to the development of organic production in the region. Within the policy domain the political environment dominated by the “red and green” parties have also worked in favour of the development of organic farming. Hence, Marche was the first region to have an organic farming policy proposed and the second to actually adopt such a policy in 1990. As part of the second organic farming policy adopted in 1992, Marche introduced subsidies to organic farming. However, the favourable political environment has been counteracted by (and increasingly so after the implementation of EC Reg. 2078/92) a reluctance to move towards organic production on the part of the general farming sector. The development of the food market since around 1998 seems – at least partly – to account for the relatively slower growth of organic farming in Marche. Market development includes problems of falling prices on local organic products, increasing competition, and an erosion of the price premiums between organic and non-organic products among the favoured local produce. Finally, there seems neither to be any overall co-ordination between general agriculture and the organic sectors, nor across the organic farming community, the agriculture policy and the food market. Hence, an overall institutional setting seems to be absent.

6.3 Sicily

Sicily is one of the Italian regions where organic farming has the largest emphasis on crops other than grassland. In 1997, Sicily accounted for 19 per cent of total Italian organic UAA, while its share of organic land on total farmed land was 8 per cent (Zanoli 1997b). Sicily has been one of the pioneering regions for organic farming based on exports of biodynamic citrus fruits to the Northern European countries (mainly Germany). The recent development seems, however, to be better explained by deteriorating conditions for agriculture in general in this region. This is illustrated by the fact that a drop in general wheat prices in 1995 did not influence the high premiums paid to Sicilian organic wheat producers and that an increase in conversion followed in 1996.

Relative economic conditions for organic farming seem an important trigger for the recent growth in Sicily, but institutional factors may help in giving an account of the historical emergence and constitution of a large organic sector in Sicily. Within the farming community, two areas have been of particular interest in regard to the study of the institutional environment: the hegemonic role of farmers' unions in promoting organic farming and the specific dynamic interplay of organic certification bodies.

Gelöscht: ¶

6.3.1 Institutional changes within the farming community

In Sicily, organic farming has developed from the inside of the traditional farming community. Sicily is fundamentally still an agricultural region producing high quality products. Converting to organic farming is comparatively easy due to existing production being close to organic methods.

"The European agri-environmental regulation [EC Reg. 2078/92] just gave a propulsion to organic production" (s: agriculture administrator)

and in Sicily the organic support scheme has been used as a new option of public support for farming during a period otherwise characterised by declining support for agriculture.

General farmers' unions had an important role in the development of organic farming. These organisations did not embrace the philosophical approach behind organic farming, but they recognised its economic importance. Although general farmers' unions were more interested in

Gelöscht: ¶

aid to farmers than in the development of a new approach to farming, they did not oppose but actually backed up the implementation of EC Reg. 2078/92 in 1994. Hence, in order to keep up the – traditionally high – level of protection of farmers' incomes in Sicily, farmers' unions have acted to boost the development of organic farming and general farmers' unions have, ever since, had a decisive role in the promotion of organic farming in Sicily. An important link between political support and the individual farmers is the agriculture advisors whether acting by themselves or employed by organisations (s: general farmers' representative).

Organic certification bodies are not directly involved in promoting conversion to organic production. However, market conditions may explain a high demand of certification services in the region as many products (such as citrus, olive oil and fruit and vegetables in general) exhibited a rapid increase in exports, due to continental (Italian and non-Italian) demand. Some conflicts originated in the island among different certification bodies due to different practices and to different service costs and royalties. A particularly harsh conflict in the early/mid 1990s was generated between Demeter Italy and Associazione Suolo e Salute, concerning the certification and inspection results of a large quantity of table grapes. The outcome of the conflict was the expulsion of Suolo e Salute from the FIAO (the umbrella lobbying body of organic farming – mainly representing certifying bodies), and the switch by the pioneer co-operative Salamita from using Demeter Italy to using Suolo e Salute for certification purposes.

The certification of organic production has opened the way up to other potential conflicts – such as competition in the market for organic certification – and alliances and, consequently, a total restructuring of the institutional set up. The Coordinamento Siciliano per l'agricoltura biologica – a founder of AIAB – decided, in 1995, to move out to set up Codex, a new certification body, together with Associazione per l'Agricoltura biodinamica – the Italian association for biodynamic agriculture. Ecocert, the Italian branch of the Belgian-based certification body, was also set up in Sicily by other technicians and advisors who originally were members of AIAB (s: organic organisation representative). Hence internal conflicts have developed and implied structural change, but no reconciliation forum has been established.

Some Sicilian certification bodies have developed contacts with general farmers' unions through alliances and informal agreements after the implementation of EC Reg. 2078/92 in 1994 in Sicily, but no official rapprochements have been made. According to an organic organisation representative, informal links exist in Sicily between Suolo e Salute – since the early 1990s the largest certification body in Italy – and Confagricoltura that groups together mainstream farmers with large holdings. In addition, the oldest producer association AIAB, founded in 1988, has agreements with the national farmers' union CIA. However, according to the representatives of Sicilian general farmers' unions they had, and still have, more important problems to solve than those of organic farming as they have major difficulties in surviving. The main issue for the Coldiretti union is now moving towards a co-ordination of organic supply in order to

Gelöscht: ¶

Gelöscht: ¶

Gelöscht: ¶

"group producers in order to find a certification body which offers the best warranties and, of course, cheaper prices" (s: general farmers' union representative).

At the same time the certification bodies are also often in competition with the farmers' unions for providing certain services.

Gelöscht:

6.3.2 Other institutional changes

Due to the role of officials in the regional office for agriculture, which are in general in favour of organic farming (s: general farmer' representative), Sicilian organic farming aid was implemented in 1994 while other low-input measures of EC Reg. 2078/92 were implemented in 1995/96. The relative political position of organic farming improved further in 1999 when the European Commission suspended Sicily's regional agri-environmental programme because the environmental impact had not been sufficiently proved while organic production was the only measure which was not affected by the blockage of subsidies (s: general farmers' representatives and agriculture administrator). In all, the political position has given organic farming a "competitive advantage" *vis-à-vis* other sustainable farming systems.

A significant feature of the organic farming sector in Sicily is the role of the export market and of the "foreign" (i.e. non-Sicilian) demand for organic products. The rise of the Sicilian organic export market can be dated back to 1974, when the Salamita co-operative started exports of particular Mediterranean produce such as citrus produce, grapes, and other fruit and vegetables. In the words of an agriculture administrator:

Gelöscht: ¶

"... the export market was already there, before the great organic boom of the recent years ... today many farmers say: If organic farming did not exist, I would not have worked this year". Not only farmers, but also exporters and traders, explored a completely new and apparently endless organic market and "organic products are literally stolen from the hands of the organic farmers" (s: agriculture administrator).

The Regional Office of Agriculture has recognised the export potential of organic farming. In 1997, it organised a specific promotion campaign for organic products, which even won a national award. The motto for the promotion of the organic sector in Sicily was

Gelöscht: ¶

"Come Bio comanda" [as Bio commands, a word-game with the idiomatic phrase "Come Dio comanda" – as God commands] (s: agriculture administrator).

However, a major reason for the booming exports in organic produce is the crisis in exports for most of the Sicilian non-organic production, due to lack of structural investments especially in the citrus and fruit sector (new varieties, new growing methods, etc.). The organic sales happened to be the sole hope for many producers facing bankruptcy, and it has worked so far (s: agriculture administrator).

6.3.3 Summary of institutional changes in Sicily

Within the farming community, organic farming is promoted not by organic farmers' unions but by competing certification bodies. General farmers' unions have, since the implementation of EC Reg. 2078/92 in 1994, been actively in favour of conversion to organic production as a means to protect farmers' incomes. Within the agriculture policy domain, the support of officials in the regional office for agriculture to organic farming seems to have been decisive in the strong development of the organic sector since 1994 when EU agri-environmental support was implemented. The positive political position was further emphasised in 1999 when the EU decided to block all parts of the regional agro-environmental programme other than the measures in support of organic farming. In the food market, the traditional high reliance on export markets along with a promotion campaign launched in 1997 for organic production, have – in combination with the crises of general agriculture production since the mid 1980s – contributed to a significant overall development of organic farming in Sicily. Finally, an overall institutional setting is missing as there is neither any co-ordination between the domains of the farming community, the agriculture policy and the food market within the organic sector, nor any co-ordination between general agriculture and organic farming institutions across domains.

6.4 Marche, Sicily – and Italy

The two regional cases show very different conditions for the development in organic farming. In Marche, organic farming developed as part of a (co-operative) movement in response to social problems of agriculture and unemployment in the region, in accordance with the socio-cultural tradition of sharecropping and influenced by political parties. In Sicily, organic farming has developed on a more pragmatic basis, as it was originally pulled forward by demand for citrus fruits from foreign, mainly German, biodynamic firms willing to pay price premiums while – more recently – the development was pushed forward by EU organic farming support that served as a general means for farmers to obtain public support along with increasing earnings stemming from continuing growth in exports.

In Marche, there seems to be a difference in beliefs regarding organic farming between provinces and parties as organic farming is accepted in the north but neglected in the south of the region. In Sicily, general agriculture institutions seem in favour of – or at least not against – the development of organic farming while there are conflicts between organic certifying bodies. Although it is clear that the relative economic position of organic farming – when compared with non-organic farming – is important for a farmer's decision to convert, it is also tempting to see an explanatory interrelationship between these facts and the way organic farming has developed in each region.

The institutional environment of Marche is characterised by neglect and non-co-operation and hence by some level of competition between organic and general agriculture institutions, which seems related to a slow development of organic farming. In Sicily, the institutional environment is more co-operative as conflict mainly takes place among organic certification bodies and this is related to rapid development, which appears strongly influenced by changes in political support. Against this background of internal variations relating to certain aspects of the Italian situation, a picture of the total Italian situation is outlined in the following sub-sections – still emphasising the dynamics of the institutional environment.

6.5 Elements of institutional change within the farming community

Up until 1988 no Italian organisation represented organic farming interests. Only two organisations existed, the Associazione Suolo e Salute (ASS) and the Associazione per l'Agricoltura Biodinamica (AAB). ASS was a small cultural association founded in 1969 and based in Turin. It included a few farmers, many people with scientific interests (medical doctors, agricultural researchers and some advisors) and consumers. Only during the 1990s, did it become one of the two largest certifying bodies in Italy. The AAB was – and still is – a cultural organisation established in 1949, grouping together people with interests in biodynamic agriculture, but without any lobbying, marketing or certification purposes as AAB operated the Association "Demeter Italy" as licensee and issuer of the Biodyn and Demeter labels in Italy.

Gelöscht: ¶

Associazione Italiana per l'Agricoltura Biologica (AIAB) was founded in 1988, after an informal period where "national" organic standards based on the IFOAM standards were developed under the umbrella of the "Commissione Cos'è Biologico". Though AIAB was meant as the only organisation representing organic interests on a national level and organised in a federal way (with regional groups and associations), another – more or less competing – organisation was also born in 1988, the Consorzio per il Controllo dei Prodotti Biologici (CCPB). This was a co-operative under the umbrella of Co-op, which was one of the largest food retailers in Italy. Co-op was expressly aimed at certification and developing its own standards on the basis of IFOAM standards. At the beginning, organic farmers felt most welcome as members of AIAB, while CCPB only grouped farmers supplying Co-op or some of the related co-operative processing companies. Co-op and the other co-operatives were traditionally close to the Italian Communist party which, at that time, was the largest opposition parliamentary party as well as the traditional ruling party (since World War 2) in Emilia-Romagna, the most advanced and productive agricultural region in Italy. The CCPB may therefore be seen as an institutional adaptation of the Co-op, due to the lack of certification services in the Italian organic sector. In contrast, there seemed to be a clear match between the ideology of the average organic farmer and the interests pursued by AIAB.

Gelöscht: ¶

The scene of the organic farming community changed dramatically around 1992-93, when the first attempt to implement EC Reg. 2092/91 was proposed by the Ministry of Agriculture and passed in May (D.M. 338/92). At the end of 1992 the Ministry formally recognised the existing certifying bodies AIAB, CCPB, ASS and Demeter Italy together with 3 "new" organisations: the Associazione Marchigiana per l'Agricoltura Biologica (AMAB – originally grouping the Marche organic farmers members of AIAB), Bioagricoop (established in 1984 as a co-operative grouping organic technical advisers and member of IFOAM), and AgriEcoBio (a "pure" certification body based in Piedmont). Hence, the total number of certifying bodies in Italy was seven.

However in 1993, the Constitutional Court overruled the 1992 national regulation on organic standards and certification. After 6 months of uncertainty the seven certifying bodies were "temporarily" confirmed in their role in a bill passed by parliament (L. 146/94). The bill also re-endorsed a governmental body to continue as the National Inspection and Licensing Authority in accordance with EC Reg. 2092/91, but delegated to the Government, the task of solving conflicts with the Regions by establishing a "federal" system of certification and accreditation. Hence, this point in time was crucial for the Italian organic sector and between 1992 and 1993 the organic and in-conversion land area in Italy trebled, while the number of farms almost doubled.

In 1995, parliament finally approved D.L. 220/95, thereby at last implementing EC Reg. 2092/91 and its modifications. AIAB, CCPB, Bioagricoop and Suolo e salute were confirmed as certification bodies and AMAB gave birth to a 49 per cent owned organisation named IMC to carry out certification. In addition, AIAB split the activities between two independent but homonymous organisations, one carrying out certification and the other doing lobbying and "cultural" activities. Recently, Suolo e Salute promoted an organic farmers' association named "TerraSana". Demeter withdrew from certifying organic produce in order to avoid conflict between the "Demeter" label and the ordinary organic certification. It was replaced by CODEX – a brand new company owned by the AAB and the Coordinamento Siciliano per l'Agricoltura Biologica (CSAB). CSAB was also the previous founder of AIAB but was now on its own because of different ideological views on the organic movement. Finally, AgriEcoBio was not reinstated (given that it had closed down) but was replaced by two other pure certification bodies, QC&I Italy and Ecocert Italy, which have parent organisations in other European countries. At the end of 1998, the Ministry licensed another pure certification body, BIOS.

In 1999, agreements were set up among some certification bodies in order to harmonise and jointly organise the certification process. A formal agreement to integrate inspection services was concluded between IMC and CCPB, while talks with AIAB ended without result (s: organic producer representative, Ciucciomei 2000).

6.5.1 Changes in conventional and organic farming interrelationships

No formal agreements exist among national general farmers' unions and certifying bodies/organic farmers associations, though some informal agreements exist at the local/regional level (for example, as described in the case of Sicily). The general attitude of Italian general farmers' unions is one of near indifference towards organic farming. Organic farming bodies have also contributed to the relative isolation of organic farmers within the farming community. In the words of an organic producer representative, until a couple of years ago organic farmers' organisations were not interested in anything else except organic farming, but today

"to defend organic farming we need to defend farming as a whole, otherwise everything will be lost." To obtain this the whole farming community should accept the goal of "low environmental impact and animal welfare",

according to an organic producer representative. Pinton (2000) reasons along the same line stating that

"organic bodies need to take some courses to learn lobbying".

Better relationships exist with environmental protection associations. Informal co-operation between AMAB and WWF Italy has existed since 1993 and, in 1999, AIAB was the promoter of a meeting in Vignola between IFOAM and IUCN (International Union for the Conservation of Nature, grouping the main environmental organisations) leading to a joint declaration to stop GMO proliferation.

"The certifying bodies have been the most important actors in the organic scene" (s: agriculture administrator)

and their role is crucial in explaining the organic boom in Sicily, Marche and other regions. However, the focus on certification and of giving technical advice rather than on grouping farmers is seen as a severe distortion to the Italian scene after the approval of EC Reg. 2092/91 and

*"the main reference point for organic farmers is the certification body (IMC) and not the organic farmers' association (AMAB)" (*s: organic farmers' organisation representative).

This statement was made with reference to the Marche scene but it may be generalised to the case of Italy. Most of the original organic farmers' associations have transformed themselves into certification bodies, but the interests of these organisations do not correspond with those of the organic farmers. Whereas the certification bodies are mainly concerned with growth of the certified land area, organic farmers are more interested in the development of an organic market. As organic certifying bodies have a public function and,

"are organisations with delegated functions"

they cannot do any lobbying and, hence,

"nobody represents organic farmers" (s: agriculture administrator*).*

In some cases, other services are provided, at least unofficially. Some inspectors give advice about the organic aid scheme of EC Reg. 2078/92, and help in compiling forms, whereas others offer technical advice as independent professionals, while doing the certification. This brings in suspicion of partiality in inspections.

Furthermore, when certification services are sold, competition becomes an issue while co-ordination and representation becomes difficult. This is clearly a problem in Sicily where two theoretical approaches to certification are distinguished: some farmers prefer bodies with lax inspection methods while other farmers like stricter standards and inspection methods, to protect quality production from unfair competition.

6.6 Elements of institutional change within agriculture policy

Initially, only the Green Party tried to put organic farming onto the national Italian political agenda. It attempted to introduce national legislation in 1987, long before EC Reg. 2092/91 was passed. Also, the Communist Party presented a bill in the late 1980s. The bills were discussed in the agricultural committee of the National Parliament but never passed. In 1993, EC Reg. 2092/91 was implemented, subsequently ruled out by the court, but re-implemented in 1995.

At the regional level, organic farming received more positive support. Again, the Green Party was promoting or backing most of the initiatives. The first bill was passed in 1989 by Latium Regional Assembly (L.R. 51/89) followed by Marche (see section on Marche above), Veneto (L.R. 24/90) and Trentino and Bozen Provinces (L.P. 13/91 and L.P.12/91). These laws were all attempts to formalise the organic sector through the establishment of a public certification and inspection system. As they preceded the approval of EC Reg. 2092/91 by only a few months, they never came into operation. However, it seems clear that the official recognition of organic farming both by regional laws and by EC Reg. 2092/91 had an immediate impact on organic farming growth in spite of the formal problems. The Latium law included a specific provision for paying subsidies for investment in organic farms, which led to some investments in farm structures and processing plants. Other regional laws on organic farming followed the approval of EC Reg. 2092/91, namely: Campania (L.R. 12/93), Basilicata (L.R. 12/93), Emilia-Romagna (L.R. 36/93), Liguria (L.R. 5/94), Toscana (L.R. 31/94 and L.R. 54/95 on animal production), Sardegna (L.R. 9/94), Umbria (L.R. 39/95) and Friuli-V.G. (L.R. 32/95).

The regions implemented EC Reg. 2078/92 on support for organic farming during the period 1993-1996. It seems to have had a clear impact on organic farming growth (s: all interviewees) although until recently only small parts of the organic farming area certified in accordance with EC Reg. 2092/91 actually received support according to EC Reg. 2078/92. There are some practical reasons for the disparity because areas are not measured in exactly the same way following the certification regulation (EC Reg. 2092/91) and the agri-environment regulation (EC Reg. 2078/92). However, a study of the uptake by regions shows major differences as illustrated in Figure 6-3. It shows that the EU policy support had a higher impact on southern regions and the islands than in other regions. The change in the slope of the curve for the south and islands after 1995-96 (when most of the southern regions had their Action Plans approved in accordance with EU Reg. 2078/92) is quite marked, while the curve for the other regions (which mainly applied EU Reg. 2078/92 in 1994) symbolise a smoother and slower growth rate. In general, all northern regions are below the national average in terms of

Gelöscht: ¶

Gelöscht: ¶

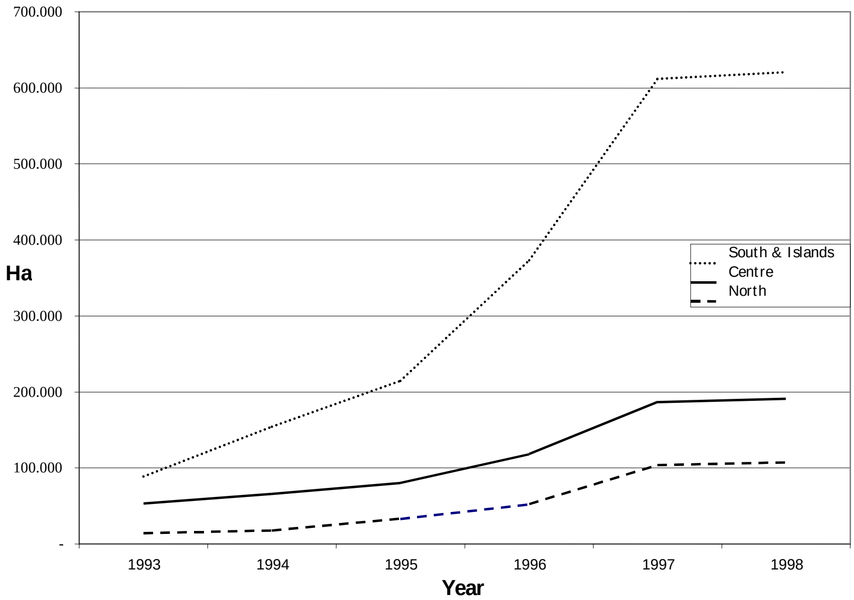
organic land area while only some southern and central regions are above average.

The rationale behind the uneven distribution of organic farming in Italian regions seems to relate to different farm structures. Farmers in the northern Italian regions are less interested in the subsidies coming from EC Reg. 2078/92 for two main reasons. Firstly, these subsidies are low compared to average income losses (opportunity costs) of adopting organic farming practices within the farm structure of northern Italy. Hence the size of subsidies gives little economic incentive for conversion in northern Italy. Secondly, organic farms in northern Italy are mainly managed efficiently and so strongly oriented towards the market that they appear unresponsive to organic subsidies given the heavy bureaucratic burdens and loss of flexibility (5 years commitment) that accompany them. In addition, organic aid schemes are normally followed by more strict public control and inspection than other schemes and it seems to be particularly disliked in northern Italy (Zanoli 1999a). Therefore, policy support in northern Italy involves mainly the most marginal farms, both in terms of area (Alps) and in terms of enterprise.

Gelöscht: ¶

Gelöscht: ——Seitenum

Figure 6-3: *Development of organic land area in Italian macro regions from 1993 to 1998*



Similar considerations may be applied to farms of central Italy. However, there are other factors explaining the pattern of the diffusion of organic farming in the central regions. Firstly, some regions have active Integrated Pest Management and integrated farming programmes, which allow some market recognition and price premiums (especially in Emilia-Romagna, Latium and Tuscany). Secondly, there exist different degrees of complexity of the measure concerning reduction of chemicals in

Gelöscht: ¶
¶
¶

regions under EU Reg. 2078/91. In some central regions these measures were relatively less binding than the corresponding organic measures – also with respect to subsidy differentials (Latium and Umbria offer good examples, while in Marche, conversely, the organic option was much more inviting) (Zanoli 1999a).

In general, the motivating factors behind the different levels of adoption of organic farming in the regions may be summarised as follows (INEA 1999):

Gelöscht: ¶

- No financing of low-input farming measures under EU Reg. 2078/92 in some regions. This has boosted the adoption of organic farming.
- Insufficient or non-existent differentiation of subsidies between low-input and organic measures. In this case organic farming is disadvantaged, especially if low-input measure prescriptions are comparatively less stringent.
- *Insufficient level of subsidies and low differentiation of subsidies between different crops*. In general, farms with cereal and forage crops (that adopted the organic farming approach) have benefited the most, while few vegetable farms have adopted organic practices due to insufficient subsidies compared to income losses.
- *Lack of the regulation on organic animal production* (until 1999). This discouraged the conversion of livestock farms.
- *Lack of technical advice and extension services for organic farming.*
- *The higher level of bureaucracy (forms to be filled, etc.) compared to that experienced by other farmers*, which has particularly discouraged the adoption of organic farming by small farms and conversion by older generation farmers (who make up the majority in many rural areas). In the words of some farmers, it is strange that organic farmers are the ones that need to demonstrate that they do not use harmful substances, while other farmers can use toxic pesticides and other potentially dangerous inputs without asking for any authorisation nor filling in any forms.

Partial farm conversion has often been considered an important factor in attempts to increase the rate of adoption of organic farming. The Italian experience shows that it is indeed irrelevant. In almost every Italian region, whole-farm conversion is a prerequisite for obtaining EC Reg. 2078/92 subsidies. Exceptions are: Umbria, Emilia Romagna, Trentino A.A., and, in part, Lazio, Lombardia and Marche which do not include the regions with the highest share of organic farming (Zanoli 1999a).

6.7 Elements of institutional change within the food market

At the national level, the a real organic food market is emerging, moving away from a sort of niche position occupied by an elitist group of amateurs, following the decision of some general food companies to enter the organic market (s: organic organisation representative). One of the first attempts to enter the market was made by the small company "Scaldasole" in the late 1980s, being followed by Granarolo and Gazzoni around 1993-94 (who later withdrew). However, a serious and substantial involvement from the general food firms did not appear until 1998/99. The first companies to become involved in the organic food market had a strategic positioning in niche markets and followed "Scaldasole" which experienced enormous growth after having approached the organic market with a traditional communication strategy, using advertising and the mass-media. In the late 1980s, "Scaldasole" became the first well-known organic brand (Demeter) and

*"organic farming was no more a folklore phenomenon" (*s: organic organisation representative).

Gelöscht: ¶

The general agri-food sector in Italy is searching for higher quality of products within a specific strategy and the introduction of organic products may be well in line with this strategy. Therefore, when quality is important, the organic products represent

*"just an aspect of the strategy but not the main one" (*s: organic organisation representative).

In 1999, one of the largest food retailers (CO-OP) introduced a line of private labelled organic breakfast cereals. No other breakfast cereals on the shelf are organic and no other breakfast cereals have the CO-OP private label. As breakfast cereals in the Italian market are considered a luxury good, CO-OP has in fact combined the private label and the organic label into a high value added product. The introduction of organic products is also seen as a way to achieve further differentiation in the product-mix.

Gelöscht: ¶

Since 1998/99, many general food processing companies have entered the organic market (Polpuva – specialising in grape juice – converting its whole agriculture area), being especially interested in those products where price is usually less important to the consumer (such as in fruit juice and yoghurt). The emergence of mainstream processing and trading companies seems an important aspect in the development of the organic food market as it indicates a rapprochement towards the general food market. The pioneering organic food processing companies were often too small and inexperienced to compete on quality, while ordinary food companies are usually able to comply easily and better with the organic regulations concerning processed food.

Gelöscht: ¶

Some of the organic farming pioneers look on the involvement of the conventional food processing and retailing companies with some disdain, saying these companies are entering the organic market,

"*only led by profit perspectives*" (s: organic producer representative).

In the early 1990s, though, some of the pioneers realised that market growth could not be achieved only through specialised shops and started selling their products to large retailers and general stores. That was a critical period for pioneer firms like Alce Nero as some of the specialised shops lost interest in the Alce Nero brand because the products could also be found in supermarkets. The process of retaliation by the specialised shops had started and, in some cases, still persists. Many of the smallest shops accuse firms like Alce Nero or Terra e Cielo of having "betrayed" the organic movement and its philosophical origins. However, the producers prefer trading with larger retailers because *"general stores do not create competition between organic labels because it is a "niche" market, while in specialised shops it is possible to find up to 48 different organic pasta brands"* (s: organic producer representative*).*

Gelöscht: ¶

In 1996, a new organisation of small-scale subsistence farmers (ASCI Associazione Salvaguardia della Campagna Italiana) was set up in order to make a stand against the "massification" of organic production and consumption and to defend the small farmers from EC Reg. 2092/91, which – according to them – has bureaucratised the organic sector. Connected with these small-scale farmers is a network of local organic fairs across all of Italy, all imitating the example of "La Fierucola" of Florence, which is the oldest (established in 1985) small-scale organic farmers' fair in Italy, supported by the homonymous association. Most of these fairs do not consider certification to be a priority, and the main aim is to protect small-scale subsistence organic farmers, as well as to give voice to the original world of "alternative" organic farmers, artisans and movements (fair trade, environmental organisations, etc). Santucci (1998; 1999) has listed 95 of these fairs operating in 1998, whilst in 1993 there were only 42 (Zamboni 1993). Most of these are located in northern (69 per cent) and central Italy (28 per cent, of which more than three-quarters can be found in Tuscany).

On a completely different scale is the main Italian organic fair – SANA – which is probably one of the most important organic market development institutions in Italy. Organised since 1989 by Fiere e Comunicazioni srl – a commercial organisation based in Milan – SANA has become the biggest commercial natural food fair for organic products in Italy and among the most important in Europe.

However, high consumer prices keep demand lower than in other European countries, though the total supply is increasing, together with exports (40 per cent of total output, around 360 M Euro) (Zanoli 1999b; Michelsen et al. 1999). According to market operators, most of the organic supply is exported because there are organisational problems on the supply side.

"The only reason to explain why Italian organic food products can easily satisfy Dutch customers accustomed to organic farming, and not the domestic ones, is the lack of processing capacity suited for Italian tastes" (s: organic certification representative).

Gelöscht: ¶

The domestic Italian organic food market is characterised by specialised outlets. They provide the main distribution channel and include generally small to medium-sized outlets organised as private firms, co-ops or clubs (sales to members only). In recent years, some franchising chains have been set up in the specialised market. According to Zanoli (1999b), this channel still represents 45 per cent of total sales, although its importance is decreasing due to the growth of sales through general stores (hypermarkets and supermarkets) to about 35 per cent of total organic sales. Direct sales from farmers to consumers are declining in importance year after year, though it remains important, especially in the South.

Gelöscht: ¶

In the last couple of years, some important changes are taking place in the market. The increase in supply availability of organic products, especially that of fresh produce (fruit, vegetables, milk and other dairy products, and – last but not least – eggs and meat), is driving large food stores into including organic products in their product range because market studies indicate that the potential demand is around 10-15 per cent of the total food market (Zanoli 1999b). At the same time, a lack of adequate processing and marketing capacity on the supply side is hampering the growth of the domestic market and

"large professional retailers are still not interested in organic products because they cannot find an adequate partner on the supply side" (s: organic certification representative).

Another significant change is taking place at the level of wholesalers. Some of the largest pioneering firms operating in the distribution of organic products have merged. Brio, GEA, La Farnia have given birth to ECOR, now the largest organic wholesaler in Italy. Other historical wholesalers have started to tackle the retailing market (KI with *Bottega & Natura*). At the same time, some important actors in the general food market are entering the organic scene. This is the case of *BioItalia* – which is grouping together some of the largest processing firms in central-southern Italy, mainly producing for the private label of CO-OP Italia – and *Conerpo* – a very large producer co-operative in Emilia-Romagna distributing fruit and vegetables to supermarkets and other general stores under the label *Alma Verde*.

Gelöscht: ¶

Around 900 specialised shops are operating in Italy, mainly concentrated in the north-central part of Italy. Their distribution shows that, in contrast to the supply, which is mainly concentrated in the southern regions, two-thirds of the specialised shops are found in the wealthier northern part of the country and the urban areas (Zanoli 1999b). A similar regional distribution pattern is found for hyper and supermarkets storing organic fresh produce. The hypermarket is, according to market operators, the *outlet* mostly preferred by large retail chains to promote organic products as hypermarket customers are younger and more informed and educated than those who use the supermarkets (mainly located inside towns and villages).

Gelöscht: ¶

6.8 Changes within the institutional setting

The Italian organic farming sector is characterised by many organisations working within the same area of certification while only few and weak organisations work for organic farmers' interests whether in the domain of the farming community or that of agriculture policy or the food market. FIAO (an umbrella lobbying body) is supposed to represent all Italian organic farmers, but in reality it only organises the various certifying bodies. It could perform a function of co-ordination across domains within the organic sector but it seems not to do this. Furthermore, FIAO has a very low profile, with almost no voice at the national level, being almost unknown at the regional level. In addition, public agencies expressly devoted to developing organic farming are not found. Only one institution is found designated to co-ordinate certification and inspection. It was established in 1992 as the national inspection and licensing authority as part of the implementation of EC

Reg. 2092/91 but disappeared when the national law was overruled by court and finally re-emerged in 1995 upon final implementation of EU certification. In its final version it includes representatives of other ministries of the regions and of the certifying bodies. However, it seems that this body has not been very influential regarding the general development of organic farming in Italy.

Gelöscht: ¶

Among general agriculture institutions organic farming has only attracted limited attention. Among general farmers' unions organic farming is virtually ignored – although there are some regional nuances as illuminated by the difference between Sicily and Marche. Amongst the public general agriculture institutions also, organic farming receives only little attention – in particular from extension agencies, research institutions and universities (Zanoli 1997a). In the general food market many different initiatives are taken but no co-ordination seems to take place.

Gelöscht: ¶

Hence, it characterises the Italian situation that certification bodies are the main organisations of organic farming. They compete against each other and seem unable to take co-ordinated steps in order to develop organic farming. In this situation the development in all domains is left to other actors with only limited engagement as their main activities lie outside organic farming and they seem to act in a rather uncoordinated way.

6.9 Summary and tentative conclusions

The main issue in the Italian case has been to study the impact of major regional differences on the total development of the organic farming sector. The general development of organic farming differs much between regions and so does both the timing of implementing EU regulations and the mean used for implementation. Hence, it seems appropriate to describe the Italian case as composed of a series of regional/provincial organic farming sectors developing in rather independent ways. Viewed in this way, the overall strong and consistent growth of the Italian organic farming sector since 1985 may be consistent with individual regions showing periods of strong growth, slow downs and even stagnation/ decline. Total Italian development thus appears more like a *sequential* development in which growth takes off early in some regions and when stagnation eventually sets in, growth takes off in other regions. Furthermore, it seems that the institutional environments – in terms of co-operation, competition or creative conflict – have been quite varying in different regions, which may help to explain the differences in timing of organic farming growth. The sequential development pattern is illustrated in Figure 6-4 below, which distinguishes between a national level and the two regions of Marche and Sicily.

6.9.1 The institutional environment: Marche and Sicily

Marche was one of the first Italian regions to start the development of organic farming. The take off is explained by the socio-cultural history of the region as the system of sharecropping seems to have been favourable to the development of entrepreneurship among farmers and hence of farmers to accept the risks associated with converting to organic farming. General farmers' unions have, however, consistently expressed indifference towards organic farming. Political support developed early on from the Green Party and the Communist Party, which included subsidies to organic farmers from 1992. These parties were stronger in the northern provinces and there seems to be a political split with southern provinces less in favour of organic farming. In spite of the introduction of EU certification and support to farmers later in the 1990s, the growth of organic farming in Marche slowed down in the second half of the 1990s when compared to overall Italian development. This seems to be explained by the fact that the implementation of EU support did not fit well with the farming structure of Marche. Furthermore, prices paid to farmers for organic produce actually fell in the late 1990s. With reference to the theoretical framework of section 1.1.3, the situation in Marche may be seen as a situation where organic farming developed without much notice from the general agriculture institutions although there has been some positive action from political institutions. Additionally, in the absence of any institutional setting to co-ordinate, either among organic farmers themselves or between organic farmers and general agriculture institutions, it seems that organic farming is more tolerated than promoted in the Marche institutional environment and, hence, the interrelationship may be characterised as a type of *pure competition*, which has hampered organic farming growth without leading to decline.

Gelöscht: ¶

In Sicily, organic farming also took off comparatively early on but in this case growth has been strong although less steady when compared with both Marche and overall Italian development. Originally, the growth of organic farming started in response to foreign demand for biodynamic citrus fruits. Within the organic farming sector, conflicts appeared between certifying bodies, which are the only organisations made up of organic farmers. On the other hand, certifying bodies developed informal relationships with general farmers' unions, which, in 1994, recognised organic farming as a relevant option for farmers when the EC Reg. 2078/92 was implemented in Sicily. In fact, general farmers' unions have played an important role in the development of organic farming ever since. Also the regional office for agriculture policy has been actively in favour of developing organic farming in Sicily. The political recognition was further emphasised in 1999 when the EU decided to suspend all agri-environmental programmes except the one on organic farming. In the food market, the crisis of the conventional sector since the late 1980s and a promotion campaign reinforcing the traditionally well-developed export markets have been in favour of the development of organic farming. Hence, the general agriculture institutions are clearly committed to the development of organic farming in Sicily. In fact, the interrelationships between organic farming and general agriculture institutions seems to have developed towards *pure co-operation* although not of the type in which differences are toned down. The internal conflicts between organic farming organisations and the lack of organic farmers' organisations emphasise the organisational weakness of organic farming and implies that the interrelationship cannot be characterised as a creative conflict among equals.

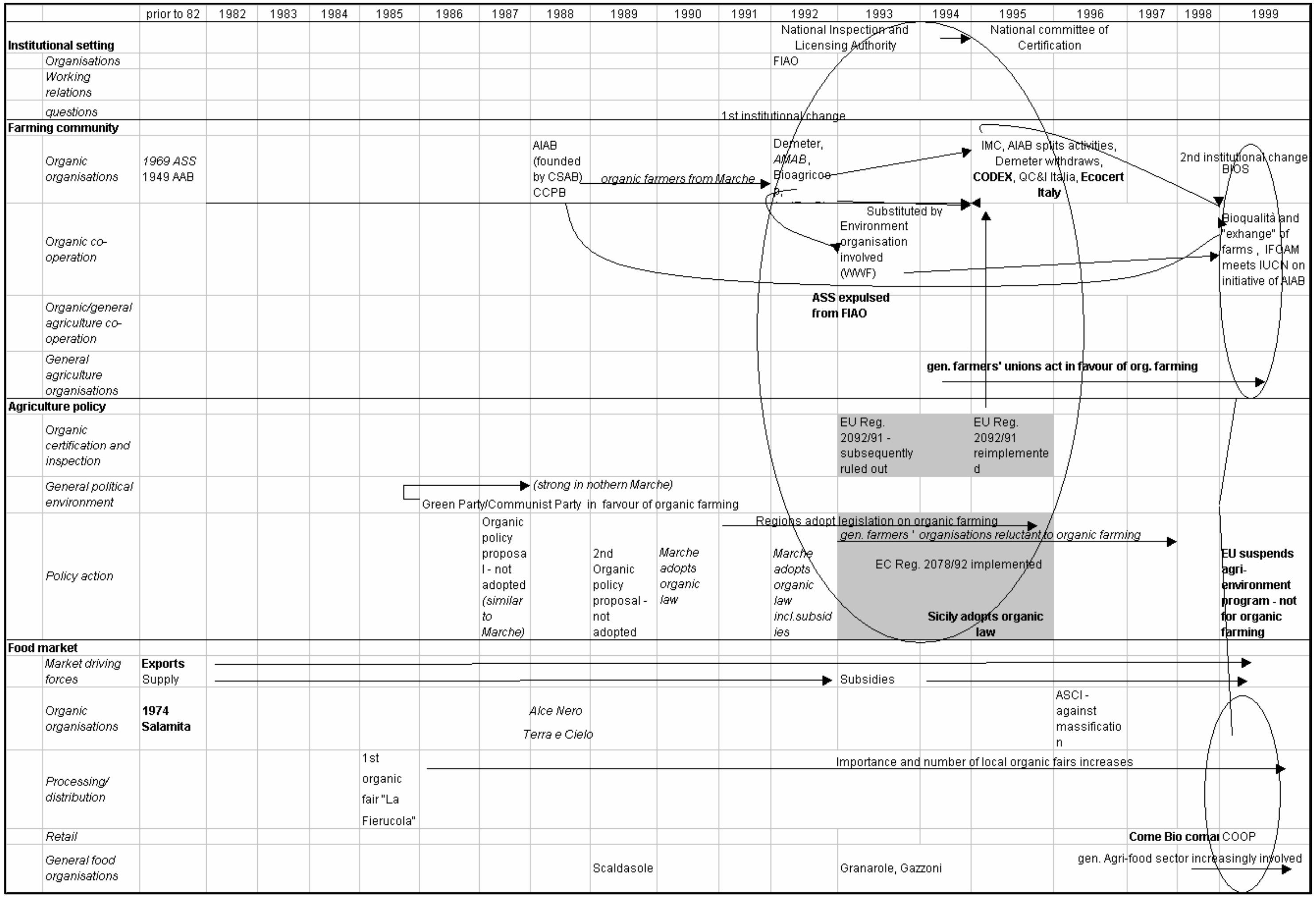
6.9.2 Institutional environment: Italy

The overall Italian development of organic farming is characterised by many minor initiatives within each domain. Only two – and not very far-reaching – changes include simultaneous changes in more than one domain.

The farming community was, up to 1988, characterised by a lack of organic farming organisations. Then AIAB and CCPB were founded. The CCPB may be seen as a response to the lack of certification services in the Italian organic sector, whereas, AIAB attempted to develop the organic farming ideology and to further the interests of organic farmers. The first major change of this situation occurred in 1992 in response to the implementation of EC Reg. 2092/91, which led to the establishment of a series of new – competing – certification bodies. The change occurred in two steps because of legal difficulties regarding the implementation of EC Reg. 2092/91. Several certification bodies were founded which soon gave birth to organisational splits, but organic farmers' interests remained without representation. One organisation (FIAO) was supposed to co-ordinate the certification bodies and take care of farmers' interests but appeared unable to do so, and even excluded one of the certification bodies.

Within the agriculture policy domain, organic farming first reached the national agenda in 1987. The Green Party took the initiative to propose an organic farming policy. Neither this proposal nor a proposal made by the Communist Party was passed. In the regions, the first organic law was passed in 1989, and by 1996 most regions had organic farming legislation. From 1993 onwards, the regional laws were implemented to provide support according to EC Reg. 2078/92, which was implemented during a period of three years. Even the implementation period for EC Reg. 2092/91 on certification was stretched over three years because of legal problems.

Figure 6-4: The development of the institutional environment for organic farming in Italy and Sicily 1982-1999



Italian organic food production was, prior to the early 1990s, mainly based on exports and minor sales directly to consumers or through specialised shops. Since then, the Italian domestic organic food market has been characterised by two features. On the one hand, more general stores have gone into the market together with some general processing and trading companies. On the other hand – and as a reaction to the former development – a move away from the “massification” of the organic sector has also occurred. The latter is illustrated by a significant increase in the number of local organic fairs.

Gelöscht: ¶
¶

An institutional setting to co-ordinate across the domains – whether among organic farming institutions for themselves or between them and general agriculture institutions – is lacking for the whole of Italy as well as in the regions. FIAO was expected to stand surety for a well co-ordinated and integrated organic sector on a national scale but has failed. Only two national agencies regarding certification have developed and gained some importance within the narrow field of inspection. One was established in 1992 and the other replaced it in 1995 as part of the final implementation of EC Reg. 2092/91. Both bodies include certification bodies and regional agriculture policy administration bodies.

Gelöscht: ¶

An Italian organic farming identity began to develop in northern/central regions during the mid-1980s taking the form of minor local initiatives. However, it seems that the identity was related to other social movements and hence that organic farming never achieved a strong identity of its own. Certification bodies were established in this period but appeared vulnerable to major organisational change and increasing competition as soon as the EU regulation was introduced and they have remained so ever since. Competition between certifying bodies has developed further and this indicates the relative weakness of the organic farming identity in Italy. This may also contribute to explaining the general lack of organisational structures for organic farming in Italy. The lack of organic farming identity and of easily identifiable organisations may in turn contribute to explaining the unclear picture regarding the interrelationship between organic farming and general agriculture institutions. It is difficult for mainstream agriculture to relate to a type of farming with a relatively vague identity. Therefore, in regions such as Marche, organic farming seems to be part of distinct socio-cultural movements rather than a movement in its own right, while in regions such as Sicily, organic farming seems part of a general agriculture strategy for farmers’ survival.

6.9.3 Institutional change

The changes within domains add only up to two institutional changes, which includes more than one domain. The first change occurred between 1992 and 1995 when the system of certification bodies was set up during the legal process of implementing EC Reg. 2092/91. It originated in the agriculture policy domain and resulted in direct changes in the organic part of the farming community and in the institutional setting. At the same time, EC Reg. 2078/92 was implemented at the regional level with no other immediate institutional consequences – although it seems to have had some indirect influence on market development as supply of organic products in some regions began to grow. At the same time, a few supermarkets began to sell organic food. This change formalised the establishment of organic farming all over Italy.

A second institutional change seems to have been taking place since 1999 and involves changes in the domains of the farming community and the food market. The main feature of the farming community was a restructuring of certification bodies towards greater co-operation, although one new certification body was also established. This seems more or less related to the fact that still more ordinary supermarkets and hypermarkets in the domestic food market appeared interested in selling organic food and hence the organic farming organisations had to adapt to the demands of the large retailers. Hence, there seems to be some sign of a growing professionalisation of the Italian organic farming sector in order to be able to meet the demands of the general food market.

Gelöscht: ¶

At the regional level, different interrelationships were detected – some competition in Marche and some co-operation in Sicily. At national level, it is impossible to identify this kind of interrelationship, as there is no information on the views of general farmers' unions regarding organic farming on a national scale and while politics and markets differ strongly between regions. Furthermore, the institutional setting at the national level seems rather weak.

Gelöscht: ¶

Gelöscht:

Hence, to spell it out in very simple terms, the impressive growth of Italian organic farming seems based on a sequence of different patterns of regional growth. Organic farming started out in northern and central Italy on the basis of specific socio-cultural circumstances. Sicily also started early, but here growth was caused by demand for specific (citrus) products by foreign firms. The second step followed the introduction of EU regulations and farming support, which generated a strong growth in organic farming in southern regions and the islands as it was seen as a means to remedy the decrease in EU support for agriculture in general. For reasons of farm structure, uptake of EU organic farming support was less in northern and central regions. A third step seems to be the evolution of a domestic market for organic food – mainly in northern regions – as part of the general food market within ordinary supermarkets and hypermarkets. The evolution of a domestic market may trigger a development of a more professionalised organic farming sector in Italy in the future.

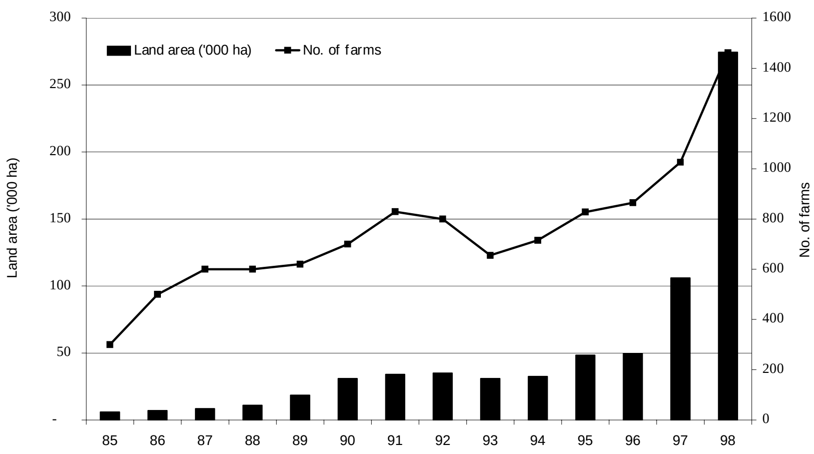
Gelöscht: ¶

7 United Kingdom[13]

7.1 Background

Despite a long tradition, the UK (including England, Scotland, Wales and Northern Ireland) was for a long time one of the laggards with regard to the development of organic farming in Europe as shown in Figure 7-1. In 1985, the organic farming sector was small with approximately 300 farms. An initial period of steady growth was followed by reduced growth rates. Between 1991 and 1993 the number of organic farms in the UK actually declined. Growth picked up again in 1994, at the same time when all EU-countries introduced support programmes for organic farming under the agri-environment programme (EC Reg. 2078/92). Since 1997, growth rates have been relatively high, a substantial part of the newly converted land being upland pastures in Scotland.

Figure 7-1: Development of the land area and number of organic producers in the United Kingdom from 1985 to 1998



Source: Foster and Lampkin (2000)

The British development of organic farming has been of long duration and diversified. Sir George Stapledon (Conford 1988), Sir Albert Howard (Howard 1943) and Lady Eve Balfour (Balfour 1949) initiated the development of organic farming in the UK and provided a powerful stimulus to the founding of the Soil Association in 1946. The SA is now the largest organic farming organisation in the UK. It was first

Gelöscht: ¶
¶

[13] Prepared by Susanne Padel, Carolyn Foster and Johannes Michelsen on the basis of interviews carried out and summarised by Susanne Padel and Carolyn Foster.

established as a research organisation, but later developed the first production standards for organic farming and a formal certification procedure. The SA now has a separate department concerned with certification, whereas the main charitable trust aims to promote the development of the sector in more general terms.

A further variety of organisations are active within the field of organic farming – including five additional certification bodies, two independent charities, the Elm Farm Research Centre (EFRC), which is involved in organic farming research, and the Henry Doubleday Research Association (HDRA), mainly concerned with organic gardening.

Interviewees have pointed to a series of events that may have had an impact on the development path of the organic farming sector in the UK. This includes the Conservative government's establishment of the United Kingdom Register of Organic Food Standards (UKROFS) in 1987, with the aim of unifying organic production standards. The Ministry of Agriculture, Food and Fisheries (MAFF) also supported the development of the organic farming sector by the introduction of a research programme and public grants to the certification bodies. Area-based support was not introduced until 1994, and then the rates paid in the UK were considerably lower than in most other EU countries. In 1996, the government introduced a free organic conversion information service (OCIS) to boost the low uptake of the Organic Aid Scheme.

In 1997, the new Labour government took a more positive attitude towards organic production than its predecessor, manifested in the form of increased rates of support in 1999. In addition, food scandals, including BSE, and the recent debate about the use of Genetically Modified Organisms has increased the interest in organic food in the late 1990s both among consumers and among actors in the market place, such as multiple retailers, specialist processors and wholesalers. These issues – in combination with a general economic crisis in agriculture by the end of the 1990s – seem decisive in the recent growth in the organic farming sector in the UK.

7.1.1 Distribution of organic land and farm types

Of the estimated 270 000 ha in the UK in April 1999, the largest area was in England (55.3 per cent), followed by Scotland (38.0 per cent) and Wales (6.5 per cent), with the remaining 0.2 per cent in Northern Ireland. The comparably high share of organic land area in Scotland is the result of a few large farms in the moorland areas that have entered conversion (SA 1999). According to the same source, 79 per cent of all UK organic land area in April 1999 was grassland, 46 per cent rough grazing, 14 per cent permanent pasture and 19 per cent temporary leys. The remaining 21 per cent was split between arable cropping (16 per cent) and horticulture (5 per cent). The proportion of grassland is 85 per cent in Scotland and 75 per cent in England.

The distribution of organic farms within England and Wales is not even. The predominantly grass-based regions in the South and West have a proportionately higher number of organic producers. Compared to

Gelöscht: ¶

general agriculture, organic farming includes relatively more mixed farms, whereas the percentages of organic specialised dairy and arable farms are lower. The high conversion rates in the rough grazing areas of Scotland are possibly related to the more favourable support payments for land in the Less Favoured Areas under the Scottish Organic Aid Scheme, including the absence of an upper limit for payments. Extensive Scottish livestock producers have also benefited from the lack of compulsory certification for their stock.

Gelöscht: ¶

Interviewees suggested that the reasons for the lower uptake of organic farming in the arable sector are both technical (the more specialised and intensive a system, the more difficult it is to convert) and economic (the greater profitability of the conventional arable sector). Arable systems tend not to have any stock and stockless organic farming only functions with large areas under set-aside, which goes against a common perception of arable farming:

"...taking any production [out – editor's note] of the land for a year is against the perception of what farming is about" (s: organic farmer and farmers' organisation representative).

7.1.2 Main questions for the in-depth study

The UK case combines a relatively small organic sector and a long period of slow growth (and even decline) with a rather well developed set of organic farming institutions. This seems in conflict with the theoretical framework of Chapter 1 and is thus worth studying. Currently (end of 2000), the UK organic farming sector is experiencing a period of very rapid growth. Thus, the study will also aim at establishing some explanations for the recent change from stagnation to growth.

In addition to an improved general understanding of the development of the organic farming sector a series of issues is of special interest to the UK in-depth study. With regard to the historic development the main interest is in finding reasons for the low level of governmental involvement in terms of direct farmer support. It also seems as if organic support policies are not co-ordinated with other agri-environmental policies. Finally, it is questioned whether the level of conflict between organic farming organisations and general farming organisations (both farmers' unions and advisory organisations) had any impact on development. In preparing the case study, eleven in-depth interviews were carried out with representatives who have been directly involved in the farming community, agricultural policy and food market domains for a number of years[14].

[14] The respondents include the head of the Organic Farming Unit of the Ministry of Agriculture, Fisheries and Food (MAFF); representatives of organic farming advisory services in England and Scotland; representatives of two organic sector bodies; an organic farmer-member of the National Farmers' Union (NFU); a representative of organic farming research; a representative of an organic marketing co-operative and of an organic processing company and, finally, two representatives from two separate supermarket chains marketing organic products. All interviews were done in June and July 1999.

7.2 Institutional changes within the farming community

Gelöscht: <#>¶

7.2.1 Organic producer associations and certification bodies

The Soil Association (SA) was established in 1946 as the first major organisation for organic farming. At first the main aim of the SA was to do research on the role of a healthy, fertile soil in the production of healthy crops and livestock and the link with human health and nutrition (the Haughly Experiment). In 1967, the SA developed the first set of production standards and in 1973 the certification procedure was formally established. Now, this is run by a separate certification department (Soil Association Certification Ltd. (SACert), formerly known as the Soil Association Organic Marketing Company (SAOMCo), which licenses approximately 58 per cent of all operators in the UK (farmers, growers, processors and importers). The Soil Association charity has broad representation from consumers to producers and is generally seen as an important actor in the development of the sector and in bringing organic farming to a wider audience (s: most interviewees).

Five other certification bodies operate in the UK. They are: OF&G (Organic Farmers and Growers Ltd., established in 1973, 19.4 per cent of all operators), the BDAA (Bio-dynamic Agricultural Association, established in 1944, approx. 2.2 per cent of all operators), the OFF (Organic Food Federation established in 1986, 7.2 per cent of all operators), the SOPA (Scottish Organic Producers Organisation, established in 1988, 12.8 per cent of all operators) and, finally, the IOFGA (Irish Organic Farmers and Growers Association, 0.3 per cent of all operators).

All five are mainly active in certification – but much less so in general lobbying activities. Their members are, frequently, also members of the Soil Association Charity so they can benefit from its services to producer members. OF&G was founded as a marketing company for organic producers and now sees itself as a more farmer-friendly organisation, whereas OFF specialises mainly in intensive livestock production and the certification of processors and importers. SOPA and IOFGA are active only in Scotland and Northern Ireland respectively. HDRA (the Henry Doubleday Research Association) was formed in 1954 with the aim of promoting organic practices to hobby gardeners and is increasingly involved in research on organic vegetable and fruit production, as well as overseas activities.

At the beginning of the 1980s, several other important organisations were set up. Elm Farm Research Centre (EFRC) is a privately initiated research institute for organic farming and has, since 1986, supported the largest advisory service for organic farmers in the UK, the OAS (Organic Advisory Service). The producer members of the SA founded OGA (Organic Growers Association) in 1980 and BOF (British Organic Farmers) in 1982 as their professional organisations with the main aim of improving the technical information available to producers through the publication of a magazine and a bi-annual technical conference. In

1998 BOF/OGA remerged with the Soil Association, and their roles are now taken care of by the SA producer services department.

In 1983, the British Organic Standards Committee (BOSC) was set up to create an agreed, unified standard for organic production, but in 1987 the task was taken over by the UKROFS (United Kingdom Register of Organic Food Standards) established at the request of the Ministry of Agriculture, Food and Fisheries (MAFF) to set a common minimum standard for the UK. On implementation of EC Reg. 2092/91 in the UK, UKROFS was designated as the Competent Authority for administering the EC Regulation, but continued to operate its own inspection and certification system.

There are some differences between the organisations in terms of the certification charges and in terms of the production standards, both for farming and processing. As indicated above, the organisations differ in their main area of activity but there is also a certain degree of overlap. Although this may create some confusion for farmers interested in conversion, competition between the certification bodies also helps to ensure the effective functioning of the process and gives farmers a choice between different certification bodies (s: organic farming advisor, England).

There is some co-operation between the organisations. In the past there was administrative co-operation between OF&G and SAOMCo which was contracted to carry out OF&G's certification administration, but both organisations outgrew the arrangement. Currently the SA and SOPA have an agreement for closer co-operation and are discussing the details of a possible merger .

In the area of lobbying, the organisations appear to co-operate relatively well, or follow the lead of the Soil Association. Regarding organic production standards, however, conflicts exist. The conflicts appear to have had some negative impact on the overall development of the organic farming sector as retailers in particular find that many different standards are likely to confuse the consumer. Another negative impact of the presence of more and conflicting standards may be that the impartiality of certification bodies may be questioned , if they have an income from licence fees for the use of a trademark symbol. It may appear tempting for the certification body to accept violations of standards in order to avoid reductions in incomes. This point was underlined in Elm Farm's written evidence to the House of Lords Select Committee (HOL 1999).

All organisations have difficulties in recruiting competent staff for servicing the rapidly growing sector.

"There are not the people out there with the knowledge to provide good inspectors, good advisors. Lack of experience, that is clearly an obstacle, people are kept waiting, because there are not the number of advisors and inspectors" (s: organic farming advisor, England).

7.2.2 Attitudes towards organic farming in the general farming community

Between 33 and 40 per cent of farmers in various regions of England have expressed an interest in organic production. Interest was particularly high among smaller dairy, beef and sheep units and younger farmers (NatWest 1992).

However, in the past, the economic motivation for farmers to actually convert to organic farming seems to have been limited as agriculture in general appeared to be economically sound (s: organic producer organisation representative). The lower exchange rate of the pound, as a result of Britain leaving the EMU in 1993, had a positive impact on agriculture prices, which, together with a general economic recession in the UK, is likely to have stopped possible enthusiasm for organic production. The low value of the British currency after 1993, led to relatively high prices for all agriculture products and farmers were making a good living. In addition, problems in the market, in particular the lack of a clear market structure, proved a major barrier to conversion in the early 1990s – and for some products this barrier still exists (s: most interviewees).

Traditionally, there are two main groups of farmers in the UK – family farmers and owners of large estates. In the past, neither has shown great interest in conversion to organic farming, but attitudes have changed considerably since the early 1990s. Organic farming is increasingly seen as a viable option for professional farmers. As one organic farmer and processor mentioned:

"...whereas before if you were an organic farmer you were a complete nutter and a crank, that stigma has gone. I think, because they receive a lot of publicity now, if you are an organic farmer and tell your neighbour, he will think "oh well, that's very interesting" and it's something he should think about."

Some high-profile farmers have successfully converted to organic farming and have influenced the professional climate by changing the image of organic farming. There is now a wider and more positive coverage of organic food and farming both in the farming press and the general media. Thus, in 1992 Farmers Weekly stated that:

"Anyone contemplating organic farming would do well to do one thing first – send a cheque for £15 (...) for a copy of Michael Murphy's comprehensive study of the subject. It would be £15 well spent as it will probably persuade you that unless you are keen to live at little more than subsistence level, organic farming is not for you. (...) The average net income for these [wholly organic] farms was a paltry £500. (...) Two years ago the talk from the organic movement was for 10,000 producers by the year 2000. But by the way things are going, 100 could be nearer the mark" (Farmers Weekly 17/07/92).

By 1999 readers of the self-same magazine were met by a remarkably different message:

"Organic farming with realism could become a godsend for industry (...) Today the sector has a sharper, market-drive professionalism. (...) Clear price signals, firm orders and a better understanding of the

husbandry techniques mean organic meat, milk, veg and grain can often provide handsome profits. (...) Given the right encouragement, the current tenure of consumer interest in organic food should prevail longer than the last one." (Farmers Weekly 12/02/99).

From the outset, the attitude of the main farming union (NFU) has been very critical towards organic farming. Recently the publication of a leaflet on organic farming and the establishment of an organic farming working group indicates some change in attitude in the NFU. The main aim of the working group is to represent the interests of organic farmers within the NFU but it also has the ambition of creating a better understanding between the previously very antagonistic parties. Hostility among ordinary NFU members, whenever organic farming was talked about, was one of the major problems of the committee to start with but – as a member of the farmers' union pointed out – "*...things are changing now, at least at grassroots level....*" (s: farmers' organisation representative).

As an organisation with mainly non-organic members the NFU nevertheless remains very cautious regarding its position, and resolutions in support of organic farming have difficulty finding support both from the majority of members and from the board:

"*...Any resolution that has to do with organics has to find it a struggle to get through the process. Too many of the people who are making judgements about that resolution would be either not interested or even antagonistic*" (s: farmers' organisation representative).

As a result there have been, up until now, no clear messages in support of organic farming from the NFU.

The second body of national importance, the Country Landowners Association (CLA) started earlier on to show a more positive attitude towards organic farming and has consulted with organic farming organisations about policy issues.

In recent years, an awareness of the potential negative effects associated with agriculture in general has arisen, for example through the BSE crisis, several E-coli outbreaks and, most recently, the debate about genetically modified organisms (GMOs) in food. As these problems are not associated with organic farming, the positive publicity for organic produce that followed seems important for the development of organic agriculture. However, concerns also exist about the promotion of organic farming by focusing on the negative impacts of non-organic agriculture and it may be seen as one of the reasons why general farming organisations like the NFU have been reluctant to support organic farming up to now (s: organic farmers' organisation, farmers' organisation and retail representatives).

7.2.3 Information and advisory services

Advice for organic producers in England is mainly provided by private organisations other than the advisory services that are frequently used by farmers in general. In 1986, the Organic Advisory Service at Elm Farm Research Centre was established. The government extension service in

England and Wales, ADAS, has shown only limited interest in the organic sector, apart from some individual consultants. In Scotland, the Scottish Agricultural College (SAC) is the main advisory provider. SAC has developed some expertise through research in organic farming and has trained a large number of its general advisors in the regional centres to advise on organic farming, whilst maintaining their general advisory work. It is now the main provider of advice in Scotland on organic farming methods.

The Organic Conversion Information Service (OCIS) in all four main regions was set up by MAFF as a result of a disappointing uptake of the Organic Aid Scheme from July 1996. The aim of the service was, at first, to supply interested producers with information about the Organic Aid Scheme. Today (2000), the focus is more on providing information about the technical aspects of organic production, so that producers are well informed about the impact of a conversion and can proceed in their best interest.

OCIS services include information (telephone help line, infopack) and free advisory farm visits. In England, OCIS is provided on contract by the Soil Association and the Organic Advisory Service at Elm Farm Research Centre while in Wales, ADAS is the main provider. OCIS is generally seen as a success and up until May 1999 approximately 10 per cent of all farmers in England and Wales had contacted the free help-line (SA 1999). An internal review of the scheme carried out in 1997 found relatively high customer satisfaction (ADAS 1997). Two interviewees consider OCIS to have benefited the development of organic farming, mainly because it has supplied independent access to information about organic farming.

"People believed they were not talking to somebody who was trying to convince them of something. [OCIS is] seen as an institutional information point, rather than sectoral" (s: organic farmers' organisation representative).

"...it has been a mechanism, where farmers with a casual interest can pursue that"(s: organic farming advisor).

However, OCIS in particular and organic advice in general suffer from a lack of trained advisors in the area and there appears to be an increasing problem once farmers have started conversion because they may be faced with further problems and have difficulties in actually implementing the steps recommended by OCIS. Then the farmers have no further access to free advice and prices of advice may be higher than they are able or willing to pay.

Gelöscht: ¶

7.3 Institutional changes within agriculture policy

John Gummer, who later became the Conservative Minister of Agriculture, was supportive of organic farming when he was parliamentary secretary in MAFF and in 1985/86 commissioned a report on the possibilities for supporting the development of the organic sector. Amongst the results of the work was the foundation of UKROFS. Gummer is also known to have been personally involved in, and maybe even responsible for, introducing the organic farming support option into the agri-environment package at the discussions leading to the 1992 CAP Reform. During his time as agriculture minister other support policies, such as the MAFF R&D programme, were introduced and the Organic Farming Unit within MAFF was established. Several changes of agriculture ministers under the Conservative administration followed, each of them with varying degrees of commitment to organic farming. Most ministers and civil servants did not see organic farming as a high priority for the allocation of further resources and no major new policies were developed between 1985 and 1990.

There is a general perception that government attitudes have changed since 1990, in line with changing perceptions in society as a whole and in the agricultural sector in particular. When the Labour Party took office in 1997 attitudes became more positive towards organic farming and additional resources were made available. However, a tight constraint on public expenditure has restricted the further development of new policies to support organic farming.

Currently, MAFF's organic farming policies aim to support and encourage an expansion of organic farming as one of the options available for environmentally friendly production. This is achieved through three main strands of direct financial input: Conversion aid (Organic Aid Scheme, now the Organic Farming Scheme), provision of advice through OCIS (see above) and research and development. MAFF also provides some funding for UKROFS (see above) input into standard setting. Some details of these policies are discussed here.

The MAFF regional centres (or their equivalents in Scotland, Wales and Northern Ireland) implement the conversion support policy (Organic Aid Scheme, now Organic Farming Scheme). Within each office, the same person is not necessarily responsible for administering the Organic Aid Scheme and other agri-environmental schemes. This seems to have caused problems of insufficient expertise (s: organic farming advisor). Policies are developed via consultations with the industry, where mainly the organic bodies, such as SA, respond. Recently, other bodies such as the NFU and CLA and the statutory conservation organisations, e.g. English Nature, have become more involved in the consultation process. The director of one organic sector body pointed out the importance of the conservation bodies' lobbying power in terms of past negative contributions to the policy process of organic farming support:

"Historically, there was a serious gap between the environmental groups and the organic movement, largely because the environmental groups did not have sufficient confidence that the principle of sustainable agriculture, as defined by the organic movement, could be commercially applied. And therefore they were always [concerned about] the 90 per cent that was not organic... and they looked at the integrated [pest management] approaches as something that was more mainstream and they saw us as being marginal. Now that problem, I would say, set back the progress of the organic movement in this country by perhaps a decade..., because [of] the lobbying power of those conservation bodies" (s: organic farmers' organisation representative).

With increasing devolution, policies are more varied between the regions of the UK (England, Wales, Scotland and Northern Ireland), but it is too early to observe substantial effects of differing policies. An Action Plan for the development of organic farming has, for example, been launched in Wales as part of the Welsh Agri-Food Partnership, following some intensive consultations with an industry-led organic working group in the autumn of 1998. The Scottish agricultural administration appears to show a lack of willingness to recognise the organic sector, even though there is growing interest in conversion among farmers. This is expressed by the lack of initiative in Scotland to submit a new Organic Farming Scheme for conversion support with the rates proposed by MAFF for the UK under the new revised scheme. There is, however, a growing interest in matters of organic production among the members of the new Scottish Parliament.

A private members' bill was introduced into the UK parliament in October 1999 initiated by "Sustain", a group campaigning for better food and food production methods. The bill aims to set a target of 30 per cent organic growth by 2010 and is supported by a wide range of interest groups including environmental groups like Friends of the Earth, workers' unions such as the TGWU (Trade and General Workers' Union) and others like UNISON, and the Pesticides Trust (now the Pesticide Action Network) as well as the Soil Association. It is however, unlikely to be passed, as the government does not support it.

Regarding research and development, MAFF is currently spending approximately 1-2 per cent of its total R&D budget on a number of projects in England and Wales. The funding has been doubled to approximately £2.2 m since 1997 and committees convened by UKROFS in 1995 and 1999 reviewed research priorities. The objective of MAFF-sponsored research is to help promote organic farming as an environmentally friendly form of production and to provide a firm basis for government decisions nationally and within the EU. Objectives include the methods, costs and benefits of conversion; methods of production and processing; as well as barriers to commercial organic production and other issues.

7.3.1 Organic Aid Scheme and Organic Farming Scheme

The UK government has, since 1994, supported conversion to organic farming in the UK through the Organic Aid Scheme, which is part of the UK provision under EC Reg. 2078/92 programme (EC 1992). Direct support was low in terms of support payments per ha and the Organic Aid Scheme suffered from low uptake rates. In 1996 organic farming accounted for less than 1.5 per cent of total agri-environment agreements (Foster and Lampkin 1999). The support scheme did not – as opposed to the situation in other EU member states – provide any higher payment rates for horticulture and fruit production or maintenance payments for existing organic producers (Lampkin et al. 1999). However, there was some concern about the low uptake and it was one of the reasons for launching the above mentioned Organic Conversion Information Service (OCIS) in England and Wales.

The Organic Aid Scheme was not integrated into the main UK agri-environment programme. The representative from the Ministry of Agriculture described this as an "*historical accident*". The main reason for it seems to be that organic farming was not, from the outset, perceived as associated with environmental benefits (s: agriculture administrator). As a result the government decided to offer a wide range of agri-environmental options and the organic scheme only covers a relatively small proportion of the total budget (Morley 1999; Lampkin et al. 1999).

After an extensive review and consultation process (MAFF 1998) the Organic Aid Scheme was replaced by the Organic Farming Scheme (OFS). It offers higher payment rates, but still no higher rates are paid for horticultural production, maintenance payments for continuing organic production are lacking, and administration is not integrated with other agri-environmental policy options. Unlike the previous scheme, the OFS imposed environmental obligations applicable to the entire organic unit. In addition, budget restrictions have limited the number of applications that could be approved. The Organic Farming Scheme was launched in April 1999 but became closed for new applicants as a result of budget limitations in October. It reopened after the allocation of additional funding in November but finally closed again in December 1999 leaving some applicants likely to be referred to the 2001/02 budget before receiving any aid payments. During 2000 the scheme is under review and a new support scheme is likely to open under the Rural Development Programme (RDP) under EU's Agenda 2000 policy (MAFF 1999a, 1999b).

United Kingdom Register of Organic Food Standards (UKROFS) was established in 1987 at the request of the Ministry of Agriculture, Food and Fisheries (MAFF) to set a common minimum standard for the UK. Although the UKROFS have an overall positive impact on the development of the UK organic farming sector, several problems can be identified (s: most representatives). The main problem appears to be lack of resources. UKROFS' budget is currently only marginally higher than 10 years ago, despite substantial growth in the organic farming sector. The House of Lords Select Committee on the European Communities in its recent review of organic farming recommended that the permanent increase in UKROFS' workload should be matched by a proportionate increase in funding (HOL 1999).

Judging by the variety of sector bodies and the remaining differences in standards, UKROFS has not fully succeeded in achieving one of its key objectives: greater unification of the organic sector. A further problem seems to be the recruitment of impartial members onto committees that set organic farming standards and which, at the same time, appear able to represent the spectrum of interests in the organic sector as well as having sufficient technical knowledge. Finally, UKROFS is perceived to be reactive rather than proactive vis-à-vis the development of the organic sector.

7.4 Institutional changes within the food market

Gelöscht: ¶

Market shares for organic food in the UK have been growing steadily since 1992, but more rapidly since the latter half of the 1990s. Retail sales of organic food have risen from £92 million in 1992 to an estimated £260 million in 1997, although this still accounts for less than 1 per cent of total retail food sales (Mintel 1997). The market was expected to grow to approximately £390m in 1998/9 or £546m in 1999/00 (SA 1999). The general economic development seems to have influenced the rather slow rate of development in the past, in particular the severe recession that Britain experienced in the early '90s, which, combined with what has been described as

"cheap food culture in the UK" (s: organic farmers' organization representative*),*

hampered consumer demand for organic produce.

Gelöscht: ¶

In general terms, shortages of raw materials and a lack of processing capacity appear to be the current major limiting factors to further growth of the organic market. The development of the British organic food market is mainly driven by demand, although in the early 1990s it appears to have been driven by supply (Michelsen et al. 1999). During the 1990s the BSE crisis and other food scares, and most recently the GMO debate, have led to increased consumer interest and encouraged mainstream actors in the market, such as the supermarkets, to see the organic market as a serious opportunity. However, the appearance of an increasing number of different certification symbols and labels on organic foods in the shops is likely to hamper sales.

Price premiums are clearly important for consumers and

*"price is the handbrake on the accelerator of growth" (*s: retail representative).

Although a price parity promotion campaign carried out by one of the major supermarkets a few years ago may have had an impact on reducing the perception of organic food as expensive, such action is not appreciated by all organic producers, with some fearing that supermarkets are out to squeeze prices and that farmers in the end will lose out.

7.4.1 Multiple retailers or supermarkets

The role of the multiple retailers is increasingly important (covering approximately 70 per cent of all organic sales, SA 1999), even though their attitude towards organic food has been mixed in the past. Safeway was the first supermarket to start selling organic produce in 1981, followed by Sainsburys in 1986 and by others in the late-80s. In 1989 Marks & Spencer made a choice to drop their organic lines. Today, several of the major multiple retailers have responded to increasing consumer demand by further developing organic product ranges and they expect organics to play an increasingly important role in the general marketing profile of the companies.

Supermarkets are mainly supplied by imported organic products. This is the consequence of a major gap between supermarket demand and national supplies in terms of product range, quantities and quality of products. For fresh fruit and vegetables an estimated 80 per cent is imported. Whilst organic farmers have a good share of the domestic milk market, only a small proportion of vegetables (for which demand is strongest) are produced in the UK (s: retail representative; Michelsen et al. 1999).

According to the two supermarket respondents, the strong presence of the multiples in the sector has provided confidence both for producers to convert to organic farming and for the consumer. Both supermarket representatives were eager to point out that they are encouraging their suppliers to develop organic programmes with their growers and that they – to a varying degree – are committed to increasing the UK supply base for their organic lines. Several supermarkets have now introduced more flexible specifications for their organic products and aim to manage the development of the organic sector in a strategic way, identifying needs as well as potential problems well in advance.

Nevertheless, direct contact between some multiples and organic farmers and growers is limited. Contact mainly takes place through specialist suppliers and manufacturers. It was suggested by one organic farming advisor that *"the links between the multiples and the farmers are not strong enough to develop the supply"* and sometimes contact is established by means of producer co-ops (see below).

7.4.2 Organic suppliers to the market

A number of specialised organic companies (wholesalers and manufacturers) in all sectors are committed to the growth of organic farming. Several of them have experienced substantial growth in the past few years, partly as a result of supplying the multiples. Up until now, however, few mainstream processing or wholesaling companies have been involved with organic produce. In the late 1990s co-operation between the specialised organic suppliers and the supermarkets developed, particularly in the dairy sector and in the fresh produce sector, indicated by a longer-term commitment from the multiples to particular prices and volumes of produce. One agreement is between Sainsburys and the organic dairy co-operative, OMSCo , but Sainsburys is also trying to co-ordinate production with its suppliers in the horticulture sector and aims to develop a continuity of supply. Sainsburys has established direct contact with the sector through its source group, which represents primary points of supply for a range of products. The main aims are to steer production in a strategic way, to develop a work programme (as with other agriculture produce), to identify future needs, and to support the integrity of production standards. Similarly, the SA has established a multiple retailers' working group that aims to

"maintain the integrity of organic standards, support UK producers entering the markets, raise consumer awareness of the wider benefits of

*organic food and farming and raise the Government's awareness of consumer demand" (*SA 1999*).*

Currently, the most significant producer co-op is in the dairy sector (Organic Milk Suppliers Co-op – OMSCo). Prior to its existence, the Milk Marketing Board – needing to represent all its members' (both organic and non-organic milk suppliers) interests – was very slow to develop any organic processing capacity. In 1994, the regulations on the Milk Marketing Board were lifted and it allowed OMSCo to take the role as market leader. It appeared possible to separate or decouple the organic milk price from the general milk price by long-term delivery and price contracts. The decoupling of prices has contributed to changing non-organic farmers' perception of the market for organic products and has given dairy farmers confidence in conversion. The other significant organic co-operative, the Organic Livestock Marketing Co-operative (OLMC), is trying to establish a similar concept for the livestock markets, but, according to a co-operative representative, this is hampered by fragmentation of the market and unfamiliarity in the sector of co-operative marketing. Other organic farmers' co-operatives include small co-ops in the fresh produce sector and a large national co-operative for organic producers in Scotland. Particularly in the fresh produce sector, but also in the meat sector, there have in the past been several examples of organic farmers' co-operatives trading with multiples that went bankrupt and left their members with substantial financial losses. This has contributed to a general disillusionment on the part of farmers regarding trade with multiples.

7.5 Changes within the institutional setting

In the UK there is no organisation aiming at connecting activities across the three domains of the farming community, agriculture policy or the food market.

The only public organisation active in the field, UKROFS, includes representatives of all domains. It is aiming to set production standards for organically produced foods and has become the UK's certifying authority. UKROFS is governed by a board composed of members with a wide range of interests in organically produced foods including producers, processors, distributors, consumers and enforcement authorities aiming that no one interest predominates (Preamble of UKROFS). The composition of the board establishes a potential for fulfilling functions of coordinating action across domains. However, coordination within organic farming is not one of UKROFS official objectives and the members do not attach the UKROFS with an active role in the development of organic farming (s: organic farmers' organisation representatives and agriculture administrators).

All organic farming organisations have occasional links with other organic or general farming bodies (including the NFU) within the farming community as well as in the other domains. However, these contacts have not developed into permanent bodies or organisations aiming at securing communication or coordination between the farming community, policy and market regarding organic farming.

Since 1998, some contacts between organisations of different domains have been established which aim at solving distinct problems and increase the backup for organic farming. One such body is the UK Multiple Retailers Organic Working Group, which originates in a joint initiative from the SA and multiple retailers Similarly, during 1999 several attempts were made to set up working groups to co-ordinate the response of the organic sector bodies to policy consultation. Examples are a joint group set up to discuss the implementation of the EU livestock regulation into UK organic standards and a policy group that submitted a co-ordinated response from the organic sector to the review of the organic aid scheme. However, it is too early to judge whether these initiatives will lead to any formal establishment of institutions across the various domains.

7.6 Summary and tentative conclusions

Organic farming has a long history in the United Kingdom and developed among researchers within a framework of charities since the 1940s. This basis formed the background for the formation of new organic farming organisations during the 1970s and 1980s. However, in terms of the number of organic farms and their total area, the long tradition for British organic farming is not reflected in a large and prosperous organic sector. This is so despite some clearly positive attention towards the organic farming system from single powerful actors in both the policy (MAFF) and the market (Safeway and other supermarket chains) domains during the 1980s. This seems related to the fact that up until the end of the 1990s, organic farming remained isolated from general agriculture institutions.

The separation of organic and general agricultural institutions is evident within the farming community from the traditionally hostile attitude of the general farmers' organisations and the almost total separation in the provision of advice. It is equally evident within the agriculture policy domain, as organic farming is not treated as an integral part neither of general agriculture measures nor in the agri-environmental measures covered by the same EU regulation as the support of organic farming. The separation is also clear regarding the lack of an overall institutional setting to establish interrelationships across the three domains. Finally, regarding the market domain, organic farming products are mainly sold through the general food market channels, but here the separation is reflected in two facts. First, the main supplies are imported, and second, domestic suppliers of organic food to the multiples are (mainly minor) companies specialising in organic produce. Hence, it is clear that there are no direct links between organic and general farming institutions and that the interrelationship in the UK therefore appears a clear example of *pure competition* as defined in section 1.1.3.

The long-term, clear and well-defined identity of British organic farming has, on the one hand, contributed to the establishment of many organisations and measures in support of organic farming relatively early on within a European context. On the other hand, these same features also seem to contribute to explaining the failure of attracting ordinary farmers and to establish a direct link to general agriculture policy that included – what seems a central measure to farmers – substantial direct financial support during the conversion period and beyond.

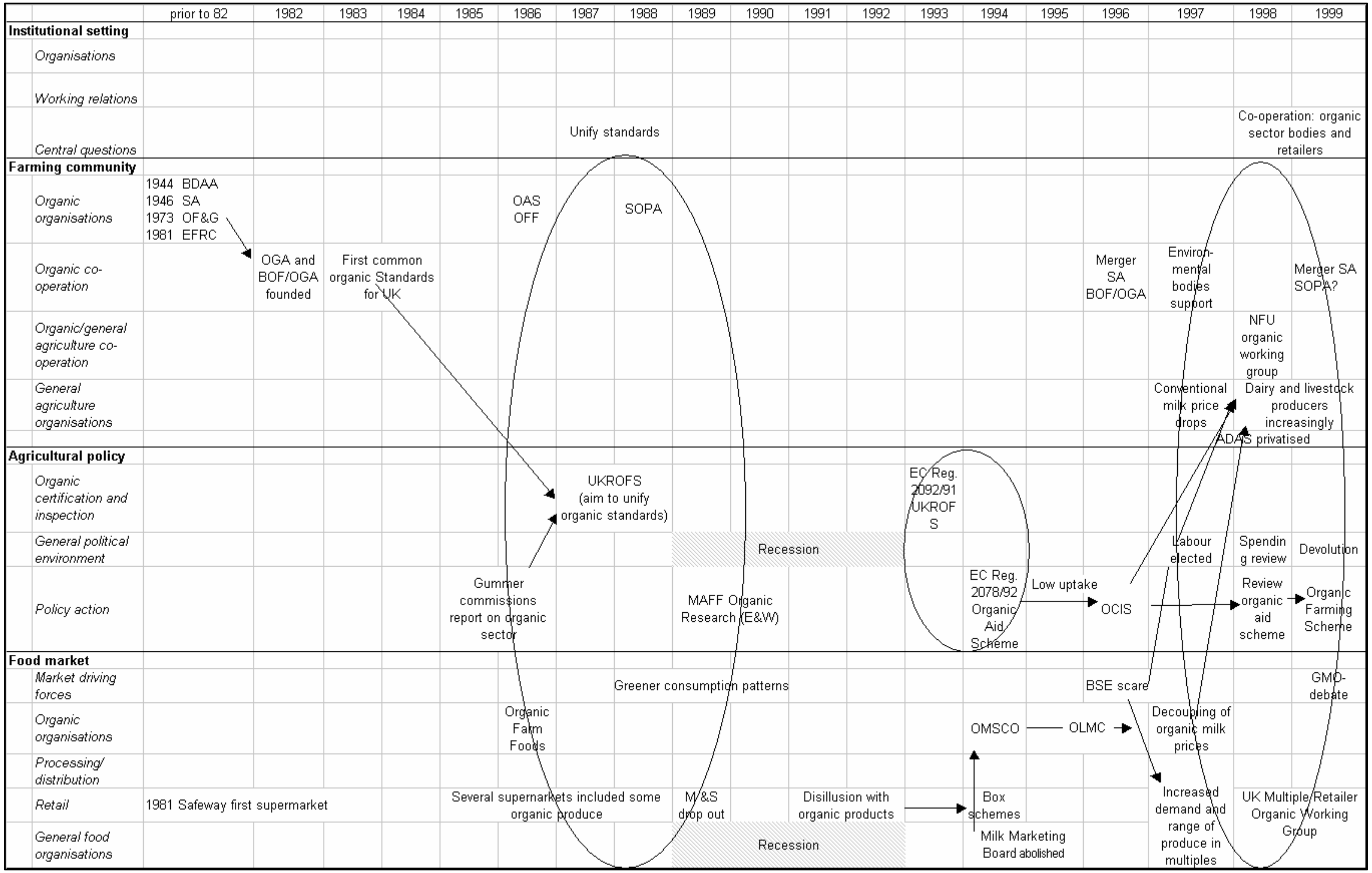
However, by the end of the 1990s the British organic sector began to gain a foothold within general agriculture institutions. Since then, farmers have begun to convert in larger numbers and market interest is growing rapidly. Several reasons for the dramatic change were suggested – some focusing on consumer demand others on farmers' propensities to convert – i.e. the supply side. Consumers and market actors have shown an increasing interest in obtaining a "green profile" and have found organic food a means suitable to obtain it. This coincided with a change of government that paved the way for a more positive attitude towards organic farming, leading to an increase in conversion payments. It further coincided with a growing interest among UK farmers for more profitable ways of farming. Here organic farming appeared a plausible option because organic farmers were able to obtain relatively stable and high prices in contrast to the major price decreases in the general food market.

7.6.1 The institutional environment

The institutional environment of organic farming in UK is illustrated in Figure 7-2 and will be summarised here for each domain and regarding the development over time in order to illustrate some of the background for the major change in the UK development. In the farming community, uptake of organic farming is skewed towards livestock producers located in the more marginal areas of the United Kingdom while uptake is low among arable and specialist horticultural producers. There are six certification bodies and one national organisation (UKROFS) supported by the government, which sets a minimum common standard and oversees inspections. Hence, there are no uniform standards and requirements vary, particularly in the livestock area. The main organisation within organic farming is the SA. It includes the largest share of certified organic farmers, but it also includes broad representation of consumers' interests.

The organic farming sector has poor links with the main farming community, evident from the lack of active involvement of the national farmers' union and the mainstream advisory bodies. The situation began to change by the end of the 1990s even though the National Farmers' Union as a body representing all farmers' interests has not developed a clear pro-organic position. The political climate has at times been positive towards organic farming, particularly under the Conservative Minister of Agriculture John Gummer and the present Labour administration. However, organic farming aid schemes are clearly separated from other agri-environmental policies. Regarding certification, UKROFS developed early on. Regarding financial support to organic farmers, it took some time to implement EU conversion support and it was paid at a low level. Due to low uptake a separate and free conversion advisory services (OCIS) was introduced. The relatively hesitant political attitude is explained by reservations among civil servants and others regarding the real environmental impacts of organic farming.

Figure 7-2: The development of the institutional environment for organic farming in United Kingdom 1982-1999



In 1997, the government increased rates of conversion support with an immediate positive effect but it was soon brought to a halt by severe budget limitations. Only recently, the government has initiated broader consultation on policies that affect organic farming. Finally, the policy on organic farming is changing as part of the development of more pronounced regional differences in policies. A general change in politics reflects a general change in attitudes towards organic farming currently (2000) witnessed in the media, political circles and among consumers.

Gelöscht: ¶

A large proportion of organic produce retailed in the UK is imported and the market structure is seen as limiting the development of organic farming. At the supply end, a few and strongly dispersed farmers have produced small quantities of organic produce. At the demand end, a large proportion of organic food is sold through multiple retailers who demand large quantities of products, which conform to well-defined quality standards. It is mainly specialist processors and wholesalers of organic produce that supply the multiples. After an initial period of enthusiasm in the early 1980s, a disagreement emerged regarding prices and quality requirements as the few small scale producers appeared unable to conform to the specifications demanded by the supermarkets. Since 1996, when the supermarkets found consumer demand for organic food more interesting, the supermarkets adapted their specifications more in favour of local organic producers. The recent rise in demand has paved the way open for renewed co-operation between suppliers and the multiples, which appears to have a positive influence on the number of organic farms, enhanced by an element of competition between the multiples for market leadership . The structural influence is especially well illustrated by the dairy sector, where the breaking up of the general milk marketing board opened up the opportunity to establish a co-op of organic dairy farmers. It has secured markets and high prices for producers in the South West of England and has an effect on the price policy of other buyers.

Finally, regarding the institutional setting of organic farming across the three domains, there are no organisations to serve that purpose – neither within the organic sector itself nor regarding the interplay of organic and general agriculture institutions. Only few institutional linkages are found within the organic sector and between organic and general agricultural organisations. In the farming community, linkages are missing between organic sector bodies (although SA seems to be establishing a key role) as well as with general farming organisations; in the agriculture policy domain, there are no links between policies directed at organic farming and general agriculture, in particular in the area of agri-environment programmes; in the food market domain, the link between demand and supply appears weak in general and specifically between producers on the one hand and processors and retailers on the other hand.

The case of the UK thus demonstrates a low uptake accompanied by several initiatives taken within each institutional domain. However, co-ordination and co-operation is lacking both within the organic sector itself and between the organic sector and other agriculture institutions in general. Together with the small level of economic support paid to farmers during the conversion period this seems a fair explanation of the slow development of British organic farming. The recent more rapid uptake of organic production – particularly among livestock producers – seems, to a major extent, to be rooted in the crisis of British agriculture in general. In addition, both the BSE crisis and an exchange rate favourable for the import of agricultural products, coupled with an improved financial situation and better image of organic farming, seems to have contributed to the growth. In other words, the British case seems to suggest, that favourable institutional and economic conditions are not sufficient as incentives for farmers to convert to organic farming. The position of organic farming *relative to general farming conditions* must also be favourable. Hence, a precondition for large-scale conversion seems to be that farmers both recognise a need to change and consider organic farming a suitable alternative. And a development of institutions seems necessary for farmers to consider organic farming a suitable alternative.

7.6.2 Institutional change

The development of the institutional environment of British organic farming is also pictured in Figure 7-2. The first organic organisations originated in the farming community and date back to the 1940s and were isolated from general agriculture organisations. Some differences among the organisations in the organic sector are found – mainly regarding production standards – and the formation of new organisations are found throughout the 1980s along with attempts to make common production standards. Acting somewhat independently, a few multiple retailers make contact with organic farming and start to market organic products in supermarkets – but this interrelationship soon breaks down.

The first major change of the institutional environment took place around 1987 when UKROFS was established as a public measure to secure certification standards. It was one of the results of a development in the agriculture policy domain – apparently guided by John Gummer who later in the 1980s became Minister of Agriculture. In 1988 small-scale public support for organic farming research began. Quite independently, supermarket sales increased and this paved the way open for forming new organic farming organisations based on marketing issues. This development profited from a general tendency to greener consumption patterns. In terms of growth of the organic sector, growth continued slowly from 1985 to 1991 with a minor setback in 1988 seemingly in accordance with the limited scope of the institutional change.

Organic farming did not profit long from the changes in the institutional environment. In the market domain, a negative change occurred as some of the supermarkets withdrew from the market in 1988 and in the following years British organic farmers became disillusioned regarding sales to the mass market. As a reaction, a few minor initiatives were taken to develop alternative markets within minor organisational structures. In the agriculture policy domain, EU regulations on crop production standards and farmer support were implemented successively in 1993-94 and it represents a minor institutional change. It had no link to changes in the farming community or in the food market, but it introduced an international certification standard and the first – although limited – system of support for farmers. It seems a plausible explanation for the turnaround in decline of the sector into that of slow growth, but in 1995 the number of organic farms had only returned to the same level as in 1991.

The second major change in the institutional environment took place in the years around 1998 and it also originated in the policy domain. The government was unsatisfied with the low uptake of organic farming support and created the advisory scheme which served as a kind of moderator between organic farming and ordinary farmers and hence established a link within the farming community between organic farming and farmers necessary for obtaining growth in the organic sector. At the same time, the market began to grow quite independently – partly in reaction to food scares, which did not include organic food. This time, many activities were launched in the market domain, all relating to the farming community. Among the reasons for the strong growth of organic farming, the change of the economic position of organic farming relative to that of general farming economy is mentioned. In any event, general farmers' unions began to act in favour of organic farming and within organic farming some of the disagreements seemed solved through a re-merger of organic farming organisations into the Soil Association and an open support from environmental organisations. In the policy domain a change in government reinforced action in support of organic farming through reviews and strengthening of existing support schemes albeit under strong budgetary limitations. The many institutional changes accompanied a major increase in the number of organic farms and of the certified area.

It seems clear that organic farming in the UK is in a position of absolute conflict in its relationship towards general agriculture institutions. However, the second major institutional change includes clear indications of a relaxation of organic farming isolation. Although general agriculture institutions seem to be opening up to organic farming – not least those from the policy domain – general agriculture organisations retain reservations regarding organic farming. No institutional setting has developed and neither has other types of institutionalised interrelationships between organic farming and general agriculture institutions. However, organisations of the two groups seem in a state of rapprochement, which might develop in the direction of what is called *creative conflict* in the theoretical considerations of Chapter 1.1.3.

Gelöscht: <#>¶

8 Institutional change and organic farming growth

The aim of this chapter is to generate a general understanding of the social, economic and political conditions for organic sector growth against the background of the attempts to explain organic farming growth in the six countries studied and as a basis for indicating suggestions for policies to promote organic farming. The six countries represent major variation among European countries both regarding the size and the development of the organic farming sector. Three countries have large organic farming sectors and three have small sectors. Of these, one country has in recent years experienced stagnation, one stable growth, and, recently, one has experienced strong growth. At the same time, the remaining three countries have experienced major changes in their growth patterns. Finally, all of the six countries vary regarding public policy and institutional conditions for organic farming development. In some countries, such as the UK, organic farming organisations began to develop in the first half of the twentieth century while in other countries, such as Greece, they developed in the 1990s mainly in response to EU policies. Regarding public policy support, Denmark began to support organic farming on a national basis in 1987, while in Italy and Greece, political support developed in the latter half of the 1990s in response to EU policies.

The methodology applied in the in-depth studies is social science institutional theory focusing on the interrelationship of organic farming and general agriculture institutions. Organic farming is characterised as a social movement based on a deep critique of mainstream agriculture practices and representing actors and interests, which do not belong to the segment of mainstream agriculture organisations.

When going through the studies of the organic farming development in the six countries, it becomes clear that the development is strongly influenced by specific conditions in each country – as even different regions of the same country have developed very differently. Hence, it appears that organic farming – in spite of common regulations on certification and support introduced by the EU at the beginning of the 1990s – is developing very differently when compared across countries. One might attempt to explain the differences within one country by climatic or technical conditions but then it must be realised that organic farming is not the preserve of a few countries or regions as it has developed in all EU countries that are characterised by very different climatic and technical conditions. On the other hand, the country studies show that there are systematic differences between organic farming and general agriculture regarding the way they depend on climate and technique. Organic farming seems to be preferred in marginal and mountain areas and in farm types characterised by less intensive farming practices. These differences point to the issues analysed here – the possible importance of man-made institutional conditions for the development of organic farming – and hence the potential for changing these conditions by means of political instruments.

The analysis presented in this chapter is purely qualitative based on the information about the six countries presented above and on the theoretical considerations of Chapter 1. Hence, it cannot claim to include a full explanation for organic sector growth among European countries. The six in-depth studies do, however, represent a broad basis for suggesting elements of explanations.

The comparative analysis is divided into three parts. The first part includes a descriptive summary of the findings across countries, emphasising possible systematic correlations between organic sector size and organic sector growth on the one hand, and institutional conditions on the other. This analysis involves both the overall institutional change and the nature of interrelationships within each of the four domains defined and used in the analysis. The second issue is an attempt – across countries – to formulate the findings into a path for successful development of organic farming. If such a path can be detected then it may serve as a (normative) starting point for suggesting political instruments in support of organic farming growth. The comparative analysis is concluded with indications of the potential content of such policy proposals.

8.1 The need for comprehensive explanations of organic farming growth

The empirical analyses are based on institutional theory and focus on the interrelationship of organic farming and general agriculture institutions. According to institutional theory it is important for the success of organic farming among farmers how the special perceptions of agriculture included in organic farming are perceived within general agriculture institutions. Hence, the empirical studies have aimed at being open to any perception of organic farming and its dissemination within agriculture because the involved actors' perceptions shape action – and are in turn shaped by the institutional environment.

To state the institutional theoretical approach in a rather simple way, it suggests that organic farming – like any other type of farming – must contribute to the farmers' living through a return in terms of money. However, the farmer's choice of farming system does not rest on simple calculations of earnings, as it is assumed to be shaped by personal preferences as well as perceptions of agriculture and farming practices communicated from the institutional environment. The return to the farmers may originate from at least three sources, which – through institutions – relate the individual farmer to the surrounding society.

One source of money to the individual farmer is the technical capacity that depends on his/her interrelationship with the institutions of the farming community. In the farming community farmers are socialised to the traditions of farming practices at the local level as well as at the national level via farmers' unions and other farmer organisations and knowledge is produced through research and distributed through advisory services. Another source of earning money comes from the institutions of agriculture policy, which may regulate practices as well as contribute financial support or impose taxes and other costs on individual farmers. A third source of earning money comes from the institutions of the food market, which shape the demands of agricultural produce and the prices.

Each of the three sources of farmers' income constitutes a domain of institutions involving distinct perceptions of agriculture – and of organic farming – which relate the individual farmer to the surrounding society. Therefore, the basis of the analysis is the contribution of each domain to the growth of organic farming – mainly in terms of the number of organic farm(er)s. As the input to farmers from these three domains may vary widely and even in some instances appear contradictory, a fourth domain is introduced to the analysis, albeit of only indirect relevance to the farmer – the institutional setting. It includes possible attempts to co-ordinate across the other domains in order to reduce contradictions or increase impacts of actions in any domain.

The application of the institutional approach is justified by the findings of the country studies. The payment of politically decided subsidies to organic farmers appeared important when considering farmers' propensities to choose organic farming. In some countries, such as Austria and Greece, and some regions, such as Wallonia in Belgium and Sicily in Italy, there was a relatively large uptake of organic farming support motivated by the amount of subsidies available. However, in other countries, such as Denmark, and regions, such as Flanders in Belgium and Marche in Italy, subsidies did not trigger much conversion and it reinforced the interest in institutional conditions in the agriculture policy domain. Similarly, in the food market domain, Denmark, Belgium and the United Kingdom are examples of countries characterised by a large consumer demand, which did not in itself trigger increases in the number of organic farms – and hence institutional barriers seem to exist for transformation of demand into supply. Finally, it appears that an institutional setting plays an important role in the Danish organic farming development while it is nearly absent in countries like the United Kingdom and Greece.

In this way, the six in-depth studies demonstrate that a comprehensive and complex approach rather than a simple approach has appeared necessary when attempting to explain organic farming growth in a comparative context. However, the empirical analysis also revealed the need for an additional explanatory aspect. Especially in the study of the United Kingdom, it appeared that the position of organic farming economy relative to general agriculture economy is important in terms of the extent to which farmers convert to organic farming. This aspect can explain why organic farming in the UK did not grow in response to the introduction of (a limited amount of) conversion support in 1994 while conversion boomed in 1998 when no institutional change took place. In the British case farmers only began to look for alternative financial sources represented by organic farming support when the general agriculture economy suffered. In other countries, the changes of the relative position of organic farming economy appeared less visible, but it must, nevertheless, be an important factor when farmers decide to change farming practices.

8.2 A comparative summary of country studies

The six country studies include suggestions for the main explanations of the development of organic farming after 1985, based on analyses of the four domains of the institutional environment of organic farming. Conclusions regarding the characteristics of the institutional interrelationships between organic farming and general agriculture institutions and of institutional change were characterised as tentative, because they were all case specific. The aim of this sub-section is, however, to compare the in-depth-studies in order to generate a general understanding of the social, economic and political conditions for organic sector growth or – in short – to reach an understanding of the causes of variation in organic farming sector size across countries.

A main key to the country studies is the characterisation of the institutional interrelationships between organic farming and general agriculture institutions in each country. As specified in Chapter 1.1.3, these interrelationships may become characterised on a scale ranging from pure co-operation to pure competition. Pure co-operation represents the one extreme where the two parties cooperate in such a comprehensive and encompassing way that the fundamental conflict regarding farming systems is avoided and deliberately toned down to such an extent that there seems to be almost no difference between organic farming and mainstream farming systems. The other extreme type of interrelationship is pure competition where the two parties have no or only occasional direct contact because they see each other as competitors or opponents vis-à-vis the food market, public agriculture support or winning public opinion rather than as farmer colleagues. In between the extreme types of interrelationship is a third type labelled creative conflict, characterised by continuous contacts between organic and general agriculture institutions as they cooperate on some issues and compete on others and may involve a climate of both competition and mutual respect.

Table 8-1 combines a summary of the main findings with information on the size and the average annual growth rate of organic farming in the most recent 5-year period. The countries are ordered according to relative organic sector size, emphasising the number of decision-makers – i.e. farmers – rather than the total area. Regarding institutional interrelations, the table shows no clear and systematic co-variation with sector size – both co-operation and competition appear in countries with large organic sectors as well as in countries with small organic sectors – as do tendencies towards creative conflict. On the other hand, there is some co-variation between sector size and the range of institutional change. Here, a distinction is introduced between the extent of the change measured by the number of domains involved. The largest institutional changes – historical conjunctures – are found in the two countries with the largest organic sectors while the number and scope of institutional changes decrease as the size of the organic sector becomes smaller. The understanding of both these patterns can be improved by going into more detail with the comparison based on the theoretical framework of Chapter 1.

Table 8-1: Summary of major findings of country studies, organic farming sector size 1998 and average annual growth 1993-98

Country (organic sector size[1])	Institutional interrelationships	Institutional change[2]	Annual growth rate 1993-98 (%)	Important explanatory events
Austria (8.4-9.6)	Pure co-operation Creative conflict developing?	1 small change around 1988 1 historical conjuncture around 1993-94	16	EU membership 1995
Denmark (3.5-3.7)	Creative conflict	2 historical conjunctures: around 1987, around 1993-94 1 major change around 1999	28	
Italy (1.8-5.3)	North/Centre: competition/ neglect South/Islands: co-operation	1 major change around 1993-1995 1 change around 1999	55	National development in sequences
United Kingdom (0.6-1.2)	Pure competition Creative conflict developing?	2 major changes around 1988, around 1998	18	Change in general farm economy from 1996
Belgium (0.6-0.9)	Pure competition	1 major change in 1987 1 small change around 1994	21	Recurrent food scandals since around 1996
Greece (0.4-0.5)	Pure co-operation	1 small change around 1994-95	91	

1 Organic share of total UAA. Bold indicates organic share of total number of farms.
2 Historical conjuncture implies a simultaneous institutional change of all domains, a major change implies a simultaneous change of three domains, a small change implies a simultaneous change of two domains.

Sources: Chapters 2 to 7; Foster and Lampkin (2000).

Gelöscht: ¶

8.2.1 Institutional interrelationships and organic sector size

Large organic farming sectors may develop within a framework of cooperative interrelationships between organic and general agriculture institutions because organic farming may be perceived as an integral part of agriculture although it includes some deviant traits. This is the case in Austria, not least because the organic farmers are, by law, integrated into general farmers' organisations while voluntary organic farming organisations are weak. This is also the case in the Sicilian region of Italy. However, co-operation is no guarantee for a large organic sector – as illustrated by the Greek case and the recent stagnation of organic farming in Austria. In all these examples, co-operation rests on relatively weak organic farming organisations and a low perception of organic farming distinctiveness. This may imply a reduction of social barriers to farmers' conversion – and of barriers to organic farmers' reconversion as illustrated recently in Austria. And it may strengthen the importance of economic motives in farmers' choices between conversion and non-conversion as mentioned in both Austria and Greece.

Competition is found in the three countries with large organic sectors, but not in its pure form. In Italy, competition is found only in distinct regions (the northern/central ones) where organic farming developed early but has grown slowly. In Denmark, competition is combined with co-operation in such as way that it is characterised as creative conflict. In Austria there is a tendency towards increasing competition but even here it seems to develop in the form of creative conflict. On the basis of the theoretical framework it may be suggested that pure competition with general agriculture institutions cannot form the basis of a large organic sector because of the structural weakness of organic farming as newcomer in agriculture. This is illustrated by the cases of Belgium and the UK where organic farming has a long tradition but has remained small. In the UK, however, the interrelationship seems in a process of modification from pure competition in the direction of creative conflict.

Creative conflict is only found to characterise the situation in Denmark where a relatively large organic farming sector is found. The Danish case indeed illustrates the meaning of creative conflict: examples of harsh competition are found but they are usually resolved in ways accepted by both sides and which implies further growth of organic farming. Hence, creative conflict seems to involve a stepwise development where periods of stagnation or even recession are followed by periods of growth. This points to the theoretical contention that creative conflict is associated more with change and dynamics than is co-operation – and than is competition – given the circumstances that organic farming is the smaller and weaker part. Tendencies towards creative conflict are found in Austria and the UK as well, the former being characterised by pure co-operation and a large organic sector while the latter is characterised by pure competition and a small organic sector. Both countries seem to be in a process of change.

8.2.2 Institutional change and organic sector size

The range of institutional changes seems to some extent to vary with sector size. The largest changes – historical conjunctures – are found in the two countries with the largest organic sectors while fewest and smallest changes are found in the countries with the smallest organic sectors. Hence there seems to be a co-variation between activity in institutional change and sector size. When the annual growth rate is added to the argument it becomes clear that institutional changes around 1993-94 are associated with high average annual growth rates in the period 1993 to 1998. There are two important exceptions to this pattern. They are caused by changes in the general conditions of society – i.e. not influenced by the dynamics of the agriculture sector itself: Austria's membership of the EU in 1995 seems to have undermined the expected positive effects of institutional changes in 1993-94 while for the UK, changes in the general currency exchange rate around the mid 1990s changed the relative profitability of organic farming and hence its attractiveness to farmers. The co-variation of the number/range of institutional change and organic sector growth indicates a simple explanation of cause and effect, but it is necessary to take a closer look at the characteristics of the institutional changes to reach an understanding of the processes taking place. This is done here on the basis of the in-depth studies as summarised in the Figures showing the development of the institutional environment of organic farming for each country (Figures 2-2, 3-2, 4-3, 5-2, 6-5 and 7-2).

The two countries with the largest organic sectors – Austria and Denmark – both experienced early institutional change around 1987-88, and again around 1993-94. In both countries the organic sector began to grow at the end of the 1980s. Hence, the organic sectors were comparatively large in 1993 and it helps to explain the limited size of annual growth rates in the 5-year period following 1993. In both countries the early change involved i) changes in agriculture policy because public agencies became involved in organic farming matters, and ii) changes in the farming community because general farmers' organisations became involved with organic farming as well. In Austria the political commitment represented an attempt to change the overall perspective of agriculture policy. Hence, the distinctiveness of organic farming was toned down at the same time as organic farming organisations weakened their position because of internal conflicts. In Denmark, the starting point for political support was a high level of consumer demand. Thus, in Denmark, the political approach was to emphasise organic farming's distinctiveness through certification and to support organisations promoting organic farming within the food market and the farming community as well as establishing a separate institutional setting for organic farming. Hence, the inclusion of general farmers' unions into organic farming development was weaker in Denmark than in Austria and, conversely, the position of organic farmers' organisations was stronger in Denmark than in Austria. The impact on farmers' conversion was positive in both instances, but much stronger in Austria where organic farming soon gained much larger shares of total farming than in Denmark.

In the same two countries an institutional change occurred around 1993-94, which involved all domains. In Austria, the change was related to the preparations for EU membership by implementing EU regulations on organic farming and on agriculture in general. Organic farming was seen as a means to limit some of the negative consequences of removing national Austrian support for agriculture and general farmers' organisations also began to act more favourably towards organic farming. On their side, organic farming organisations strengthened and found a way to solve their internal disagreements by handing over the administration of a new national labelling system to a general agriculture institution. An institutional setting emerged but organic farming organisations remained weak. Again, the Danish development is very different, because the institutional change originated in problems of selling the growing amounts of organic products and because organic farmers took an active part in the institutional change. It combined elements of implementing EU regulations with market activities through new organic organisations directed towards market development and pursuance of organic farmers' producer interests. The change also involved firms in the market with such a strong impact that organic farming development has been pulled by market demand ever since. This, in turn, led to closer co-operation with general farmers' organisations. Finally, it appeared possible within the Danish institutional setting to develop and implement strategic plans for organic farming development through coordination of efforts within the domains of agriculture policy, the farming community and the food market.

In the years following the changes of 1993-94, the growth of Austrian organic farming was halted by EU membership, because with membership came the introduction of other – and seemingly – more easily accessible types of – farmer support. Other problems – for instance regarding processing and marketing – remained unsolved. In Denmark the institutional change represented the definitive breakthrough for organic farming in Danish agriculture as it has grown strongly ever since. This growth, in turn, soon led to the third major institutional change in Denmark, as it was a reaction against foreseeable problems in terms of balancing supply and demand in the domestic market. An action plan focusing on exports was agreed upon within the agriculture policy domain at the same time as environmental policy began to gain importance as an argument for organic farming support. The organic farming organisations strengthened their position *vis-à-vis* general farming organisations (where most newly converted farmers remained members) by increasing internal co-operation. In the food market, organic firms gained such a prominence that they were bought by large food firms. All these actions were directed towards keeping up organic farming growth and in 2000 they seemed to succeed.

The third country with a large organic sector is Italy. It appeared difficult to analyse as one entity, but it seems that the national implementation of EC Reg. 2092/91 on certification around 1993-95 imposed an increase of organic farming at national level although the speed of growth varied greatly between regions. The implementation implied changes in the agriculture policy domain as well as in the farming community through the establishment of many competing certification bodies and a national body to co-ordinate certification. In southern regions and the islands in particular, the introduction of EC Reg. 2078/92-support implied a change in attitude among general farmers' organisations in favour of organic farming. At the national level an institutional setting was set up on certification only, but it had hardly any importance to the certification bodies, which are mainly rooted, in the regions. The conclusion of the analysis of the Italian development was that it was based on a sequence of three different developments starting at different times and located in different regions. Organic farming was introduced in northern/central regions of Italy within separate socio-cultural settings to promote employment and regional development. During the 1990s southern regions and the islands developing organic farming within the framework of farming support overtook the main development. Finally, in 1999, a third type of development seemed to be emerging in the northern regions based on a major increase in market demand. The sequential development was not the result of any deliberate strategy because it took place in spite of internal competition among organic farming organisations, lacking systematic interrelationships between organic and general farming organisations and lacking serious attempts to systematise action either on a regional or national scale.

Among the countries with small organic sectors, the UK and Belgium experienced major institutional changes around 1988. In both countries the changes were followed by organic farming growth in the following years – although much lower than the growth experienced in Austria and Denmark. In the UK and Belgium, the main feature of the change concerned certification and did not involve general farmers' unions. In the UK there was an attempt to unify standards through the establishment of a public registration of standards, but still more certification bodies and other organic farming organisations developed. The attempt to establish common standards was based on some political attention to the sector and at the same time, organic food attracted some interest in the food market. No contact was established with general farming organisations, because they seemed to be hostile at the time. Soon, both market and political interest decreased and so did organic farming. In Belgium, a private nation-wide umbrella organisation for organic certification bodies, aiming at promoting organic farming, was established and politically recognised as representative of organic farming at a national level. Biogarantie was thus meant as an institutional setting but from the outset it had no contact with farmers' unions – and it never obtained enduring contact afterwards. In Belgium organic farming also experienced a minor setback in the following years.

Belgium and the UK experienced only minor institutional changes around 1993-94 – in both instances caused by the implementation of EC Reg.s 2092/91 and 2078/92. In the UK implementation had no institutional impact on any other domain – and the impact on organic farming growth was also limited in spite of the introduction of conversion support. In Belgium the implementation had some impact on the farming community as organic farming organisations reorganised in order to adapt to EU demands regarding separation of certification and lobbying. At the same time some co-operation on individual projects with general farming organisations began and so did a change in the attitude of general farmers' unions. In 1993 the main farmers' organisation of Flanders strongly opposed the introduction of organic farming support, but when support was in fact introduced the attitude of the Flemish organisation changed, becoming more sympathetic towards organic farming. In the late 1990s organic farming growth had mainly taken place in Wallonia for structural reasons, while some growth in Flanders seems likely in the near future. Recurrent food scandals in Belgium seem not to have had any direct impact on the organic farming growth pattern up to now.

Britain experienced a third institutional change around 1998-99, which covers the domains of the farming community, agriculture policy and the food market. It was prompted by a change in the relative economic position of organic farming due to changes in the international exchange rate, which made organic farming support more relevant to British farmers than before. Not least, British dairy and livestock farmers became interested in conversion and an organic working group was organised under the National Farmers' Union. Other institutional changes at the same time seem less linked to the relative economic changes in organic farming. Competition among organic farming organisations decreased through mergers and they obtained support from environmental groups. In the policy domain, support was changed in order to increase farmers' interest in conversion, but financing ran out quickly. In the food market prices for organic food appeared decoupled from prices of other food – and the demand from multiple retailers increased and was organised in a working group. These institutional changes seem more or less to coincide by chance but they accompanied a major growth in the number of organic farms.

When comparing the UK and Belgium with Austria and Denmark as countries with large organic sectors, three common features for the UK and Belgium appear. One is the late introduction of economic support paid to farmers; the other is the late introduction of any positive contact with general farmers' unions; the third is the absence or weakness of an institutional setting. It seems reasonable to see all these features as contributory factors to the negative development in the UK and Belgium around 1992 and 1994. When support, although limited in size, was introduced around 1994-95, some growth in the number of organic farmers began. This seems in part explained by the fact that the interest of general farmers' unions in organic farming increased because they might have realised that organic farming support had become an integral part of EU agriculture policy. In both countries, however, this recognition seems less the result of promotion from organic farming organisations than of considerations of general farmers' unions themselves. This suggestion becomes even clearer when it is realised that Denmark experienced stagnation in the same period as the UK and Belgium. In Denmark, however, major efforts were made to retain organic farming growth by organic farming organisations in creative conflict with general agriculture institutions. When comparing the UK and Belgium with Italy, the development has many similarities with Marche and other northern/ central regions with relatively small organic farming sectors and low growth rates.

Greece is the last country with a small organic farming sector and – as it seems on the basis of the information available – has experienced only one minor institutional change covering two domains. It was the implementation of EC Regs. 2092/91 and 2078/92 during 1993-96, which triggered changes in the agriculture policy domain and in the farming community. The emphasis was on organic certification while the introduction of public organic farming support did not affect all organic farmers – not least for reasons of administrative problems. Hence, in Greece, EU policies introduced a new niche – mainly for exports – considered a positive contribution to countering a current crisis in Greek agriculture. When compared to the other countries, Greece has many similarities with the case of Sicily where organic farming took off in response to the introduction of EU regulations, where general farmers' unions and local administration are supportive towards organic farming and an institutional setting for organic farming is lacking. On the same dimensions, Greece is distinguished from the UK and Belgium, as are the other countries with small organic sectors. Even so, Greece is still a long way off from having the same organic farming sector size as Sicily. This points to the fact, that there might – after all – be some interrelationship between the developments in the different types of Italian regions. When EU regulations were implemented in Sicily, organic farming experience was at hand in the northern/central regions – for instance in the form of certification body expertise to be implanted in the other regions. In Greece, however, it was precisely these competencies that were lacking and – according to interviewees – this still seems an important barrier to Greek development.

The comparison of the impact of institutional change in the institutional environment on organic farming growth leads to three suggestions. One suggestion is that institutional change seems to make a difference to organic farming growth. In all but two cases, institutional change was associated with growth. And the two exceptions could be explained by causes far removed from the direct influence of the agriculture sector – these being EU membership and major changes in the currency exchange rate.

A second suggestion is that the size or the scope of institutional change is not the only factor that has an impact on organic farming growth. A better explanation is obtained if the perspective for the change is included. This appears when comparing the changes of the 1980s occurring in Austria and Denmark on the one hand, with the changes in the UK and Belgium on the other hand. In Austria and Denmark the perspectives – in different ways – related organic farming to general agriculture development: hence, political action in support of organic farming was rather strong and encompassing as it included financial support to farmers and established direct links with general agriculture institutions. In the UK and Belgium, however, the early institutional change only involved a national political recognition of organic farming and initiatives regarding certification, which did not change the isolation of organic farming. The suggestion is strongly supported by the fact that organic farming growth took off in all other countries than those of Denmark and Austria, when the scope of changes was deepened through the implementation of EU regulations on certification and support in the mid 1990s (the impact in the UK being delayed for reasons relating to the relative position of organic farming economy).

A third suggestion is that institutional changes involving particular domains have a larger impact on organic farming growth than changes, which do not include those specific domains. When comparing Austria and Denmark with the other countries, it appears that the involvement of general farmers' unions is important although they might not be very friendly to organic farming. To put it very simply, farmers' unions represent the general farming community, which include all other farmers and hence the most important source from which organic farmers can be recruited. This analysis is also reflected in the experiences of Sicily and Greece and it turns the analytical attention towards the character of the interrelationships within each domain.

8.2.3 Interrelationships between organic farming and general farming institutions

Up to now the qualitative characterisation of interrelationships between organic farming and general agriculture institutions – ranging from pure co-operation to pure competition – has mainly been used to characterise the total situation in the countries. The concepts are, however also useful when comparing the situation within each domain across countries. This is done in Table 8-2, which includes a summary of the characterisation of the interrelationship between organic farming and general agriculture institutions within each country and domain. However, when characterising a domain it is rare to find conditions that fit the definitions of either pure co-operation or pure competition. Interrelationships are usually found somewhere in between, leaning more to one extreme than to the other or to the middle – creative conflict. In fact, no interrelationship in any domain in any country appeared to qualify for the two pure categories.

Regarding interrelationships between organic farming organisations and institutions, Table 8-2 includes only a characterisation of the internal situation of the organic farming community, as it appeared the most important domain in this respect. The country studies showed that several organisations have emerged within organic farming in all countries, which distinguish themselves on the basis of production standards, social basis (farmers, enterprises, scientists and/or consumers), regions, or in other ways. However, all of them seem to relate to the farming community. The table shows that organic farming is characterised by internal competition in four of the six countries and, consequently, the fundamentally weak position of organic farming as a newcomer, and the informal structure of a social movement, seems even further weakened in these countries. This does not, however, appear a decisive factor for the relative size of the organic farming sector or for the overall evaluation. Only in Denmark and Belgium (large and small organic farming sectors respectively) is co-operation between organic farming organisations found, while creative conflict is not found among organic farming organisations themselves in any of the six countries.

Regarding the interrelationship between organic farming and the general farming community, the table shows that it is characterised by co-operation or creative conflict in the three countries with large organic farming sectors (in Italy only some regions (characterised by large organic farming sectors and growth)) – and Greece, which is characterised by strong growth. Hence, the table suggests that large organic sectors and growth is associated with organic farming organisations having interrelationships characterised by low-to-no competition against general farming organisations. This is emphasised when realising that interrelationships in Belgium and Britain have improved in recent years at the same time as organic farming growth has increased.

Within the domain of agriculture policy, competition is only found in Belgium signifying that organic farming policy seems caught by the problems of combining regional and federal policies. In Denmark, creative conflict is found which appears to have inspired the development of two action plans and at the same time, the introduction of environmental concern has inspired more support and increased the competition aspects. In the remaining countries, agriculture policy is characterised by co-operation – mainly because of the implementation of EU regulations. However, co-operation is weak in Italy and the UK because of a low general interest in organic farming – either in terms of the scope of policy and administrative problems, as in the case of Italy, or in terms of small budgets, as in the case of the UK.

Table 8-2: The interrelationship between organic farming and general agriculture institutions in six countries by societal domain

Domain	Austria	Denmark	Italy	United Kingdom	Belgium	Greece
Organic farming community[1]	Competition	Co-operation	Competition	Competition	Co-operation (regionalised)	Competition
General farming community	Co-operation	Creative conflict	Competition/ co-operation	Competition	Competition	Co-operation
Agriculture policy	Co-operation	Creative conflict	Co-operation – weak	Co-operation – weak	Competition	Co-operation
Food market	Creative conflict developing	Creative conflict	Competition/ beginning co-operation	Competition/ beginning co-operation	Competition	Co-operation/ exports
Institutional setting	Co-operation. Dominated by general farming institutions	Creative conflict. Dominated by organic farming views	Co-operation – no impact on development	Missing	Competition – involves only organic farming organisations	Missing
Overall evaluation	Pure co-operation	Creative conflict	Competition/ co-operation	Pure competition	Pure competition	Pure co-operation

[1] Internal relationship between organic farming organisations

Source: Chapters 2 to 7.

The food market is the domain characterised the most by competition. Co-operation between organic farming and mainstream food firms is found only in Greece and concerns mainly exports. In all other countries the interrelationship is characterised by a level of competition. In Italy and the UK less competitive interrelationships seem to be developing in response to increasing market demand. In Denmark competition has developed into creative conflict resulting in major increases of market shares for organic food. In Austria, the interrelationship with supermarkets is characterised by co-operation, but the interrelationship with mainstream processing firms seems based on competition to such an extent that it impedes marketing of the rather plentiful supplies of some products and is seen as contributing to the stagnation of Austrian organic farming.

Finally, the institutional setting is the domain characterised the most by variation. Co-operation/creative conflict is found among the three countries with the largest organic farming sectors, while an institutional setting is missing or involves competition among the countries with small organic farming sectors. Furthermore, the institutional setting of the two countries with the largest organic sectors differs because they are dominated by different views. In Denmark the institutional setting has been involved in developing and implementing strategies for promoting organic farming, while this is far from being the case in Austria. The situation in Italy is that the scope of the institutional setting is limited to certification and that it has no influence on development. In Belgium the influence seems larger, but the scope of influence is very small, as it only works within the limits of the small organic farming sector itself.

Thus, in summary, Table 8-2 suggests that non-competitive interrelationships within in the domains of the general farming community and the institutional setting are important for organic farming growth. Using the theoretical framework of Chapter 1, the following understanding of this finding is suggested. On the one hand, the very definition of organic farming implies that it is distinguished from other types of farming, but the distinctiveness should, on the other hand, not stand as a barrier for non-competitive interrelationships with general farming organisations. To obtain non-competitive interrelationships organic farming may, for instance, be perceived as one type of farming (amongst others) of interest to distinct types of farmers. To avoid interrelationships of pure co-operation where organic farming is silenced out, however, it seems relevant for organic farming organisations that they strengthen their relative positions through promoting the development of co-operation among themselves. The establishment of an institutional setting able to co-ordinate action in different domains and between organic farming and general agriculture institutions is also important for obtaining organic farming growth.

8.3 Searching for a path of successful organic farming growth

In the six in-depth studies many similar development patterns appear which form the background for the above analysis of impacts of institutional interrelationships and institutional development on organic farming growth. The aim of this section is to use these patterns as a basis for suggesting a development path for successful organic farming growth by combining the most positive experience in all six countries. The development path is to serve as a basis for policy proposals to be followed by all types of countries attempting to support organic farming growth – in other words a normative description of organic farming development. As the emphasis is on successful organic farming growth, those factors involved in the growth of organic farming in the countries with the largest or most dynamic organic farming sectors have gained most attention.

8.3.1 Three initial steps to establish an organic farming sector

In all countries some organisational structures concerned with organic farming were established before the growth period started in Europe in the 1980s. They indicate some national interest for organic farming in each country. Greece is the only exception among the six countries and it seems that the main perception is that agriculture in general was so close to organic farming that it was hard to make a national organic farming identity and thus it was introduced by foreign firms. In general, the early organisations had a somewhat informal interest in organic farming as they did not in all instances embark into definitions of organic farming or certification of products or producers. Hence, it seems an important first step to move from informal interest in organic farming to a formalised interest. This step must include a definition of organic farming and some kind of certification – usually by private bodies. Such a step was realised in all six countries but Greece at the beginning of the 1980s. Many social groups other than farmers were involved and the main basis in most countries was consumer interest in alternative food and opposition to general agriculture institutions. In general, only few farmers converted within this framework: in most countries organic farmers were, rather, recruited among other social groups entering farming. Hence, this step involved the establishment of an organic farming community, which in some countries was more separate from the general farming community than in other countries. A demand for products developed – although not a real market (Michelsen et al. 1999), but in Denmark and the UK, single supermarket chains demonstrated a limited interest in marketing organic food.

A second step, taken in five of the six countries studied (the exception again being Greece) between 1983 (starting in Austria) and 1987 involves a political recognition of organic farming and attempts to unify production standards. And here the national paths begin to diverge. Austria developed the Codex standards involving the organic farming organisations; Denmark formed the first public certification system – to a major extent based on the standards of the main organic farming organisations; in Italy political proposals for organic farming support appeared at regional and national levels but they were never passed; in the UK an unsuccessful political attempt to unify standards took off and in Belgium the standards of a private umbrella organisation were recognised by the federal state. Michelsen and Soegaard (2001) emphasise the importance of this step by concluding that certification is an indispensable prerequisite for the growth of organic farming – and that a unitary certification system within one country leads to more growth than systems of competing standards, and that further growth was facilitated by the introduction of common international standards. Hence, a broadening of public recognition and acceptance of organic farming standards resulted in organic sector growth. By 1993, common EU organic crop production standards were implemented in all six countries. Livestock standards were defined by public unitary standards in Austria and Denmark (with large organic farming sectors) while they rested on private – more or less unitary – standards in the UK and Belgium (with small organic farming sectors) and were missing in Italy and Greece (with a large and a small organic farming sector respectively). This step involved the introduction of organic farming into (the periphery of) agriculture policy. Although a growing interest for organic food in the food market may have contributed to the initial political interest in recognising organic farming in countries like Denmark, Belgium and the UK, an organic food market was far from being developed because supplies were still very small.

A third step involves the introduction of financial support to organic farmers. It represents a first step to approach organic farming from the periphery of agriculture policy through to the core financial aspects of agriculture policy. This step was taken at different times in the six countries and the timing seems to have had a significant impact on growth and on the current organic sector size. The first law on the support of organic farming was passed in Denmark in 1987 and included many different supportive measures ranging from farmer conversion support to support of marketing and research. From 1989, Austria also introduced a wide range of support for organic farming, which from 1991 included conversion support for farmers wishing to move into organic farming. These national measures were adapted to EC Reg. 2078/92 in 1993 and 1995 respectively at around the same time as this EU regulation introduced financial support, for the first time, in the other four countries. According to Michelsen and Soegaard (2001), the impact of financial support to organic farmers was, however, limited as support only seemed to increase organic farming growth when it was introduced for the first time, while it was hard to detect enduring impacts on farmers' conversion and impacts of amendments. The only exception regarding the impacts of amendments is Denmark, where a dramatic change in subsidies in favour of crop producers led to a significant growth in the total number of organic farmers.

All EU member states – and all the six countries studied here – have experienced the three stages of organic farming development mentioned above. They imply the establishment of an organic farming identity and – in two separate steps (recognition and support) – the establishment of a platform for organic farming within agriculture policy. But it appears from the analyses done here and in Michelsen and Soegaard (2001) that these steps alone are not sufficient even to reach a target of organic farmers exceeding 1-2 per cent of all farmers.

8.3.2 Two complementary steps

It is common to Denmark and Austria, with its large organic farming sectors, that general farmers organisations became involved early on in the development of organic farming, while this is not the case with the UK and Belgium. In southern regions of Italy and Greece, which experienced major growth after the introduction of certification and subsidies, co-operative relationships with general farmers' organisations are also found. Hence, it seems important that a fourth step establishes a certain level of cooperative interrelationships with general farmers' unions as they represent farmers and, hence, a source of potential converters to organic farming.

However, the non-competitive interrelationships should not be limited to farmers' unions alone because it appeared that other parts of the general farming community are important – although they may not in themselves trigger as much growth as the contacts with farmers' unions. The most obvious example is the early development of advisory services in close connection with both organic and general farming organisations in Austria and Denmark, but not in Belgium, while the UK stands somewhere in between in a position similar to Italy and Greece characterised by a shortage of advisory staff. The Austrian case, however, highlights the importance of close contacts on more or less equal terms between organic farming organisations and the general advisory staff. Here, many farmers have converted according to public Codex regulations without receiving advice from qualified professionals, because Codex regulations are not connected to any organic farming organisation. In Denmark, attempts have been made to prevent a similar development through combining the full integration of organic and general farming advisory services on the basis of a clear identity of organic farming advisory services. The Danish identity of organic farming advice is – among other things – developed on the basis of a non-separation of organic farming research for general agriculture research. Hence, in the Danish farming community, creative conflicts exist between organic farming organisations and general farmers' unions as well as between organic and general institutions of advisory service and research.

A fifth step involves the development of proper markets for organic food. Important prerequisites for this include a certain amount of supplies as large quantities may help in reducing distribution costs and increase certainty about available supplies to firms wishing to sell organic food on a large scale basis, this being a precondition for proper market relations (Michelsen et al. 1999). Historically, such quantities have been obtained after the growth of organic farming associated with policy support. In Austria and Denmark supplies appeared sufficient as the basis of major marketing efforts initiated by supermarket chains and among multiple retailers in the early 1990s. In both countries, however, problems have arisen in processing organic food because the interrelationships of organic farming organisations with general farmers' co-operatives are more problematic than their interrelationship with the organisations of the general farming community. In Austria, the main co-operatives are unwilling to process or handle organic products and this contributes to major marketing problems. In Denmark, the situation has, for several years, been characterised by creative conflict – with supermarket demand being an important driver for the dynamics of interrelationships between organic farmers and dominant farmers' co-operatives within all major sectors. However, creative conflict only developed on the basis of organic farmers being able to act collectively in order to adapt to market demand and to develop strategies to overcome periods of market crises.

Regarding the development of market relations in the other countries, different developments can be detected. In Greece and southern Italy the initial development of organic farming on the basis of demands from export markets seems to have made the adaptation to market demand possible on the basis of a cooperative interrelationship with food firms. In the UK and Belgium, however, the interrelationship between local organic farmers and the main actors in the food market is characterised by competition. In both countries consumers have long demanded organic products, but local farmers have appeared unable to supply them and as a consequence the market has been supplied on the basis of major imports. In this situation local farmers are left without opportunities for obtaining economies of scale through adaptation to the demands of large-scale traders. Thus, in Belgium and Britain, organic farmers not only have a competitive interrelationship with general food firms, but also with organic farmers from exporting countries.

8.3.3 The problem of adaptation

The experience of the six countries forms the basis of identifying five steps, which implies that organic farming – after having defined itself – is able to conquer parts of all the three domains: the farming community, agriculture policy, and the food market. The five steps indicate a process using policy as a means of increasing farmers' conversion levels, which in turn is transformed into supplies for the food market. Described in this way it comes close to the suggestion for Italy's sequential development, but the steps mentioned here should be found in each region, while in Italy, only one step was taken in separate regions.

The six cases also indicate major problems of balancing the efforts directed towards the three domains. An institutional setting has been established in four countries – among them the three with the largest organic farming sectors. In the Danish case in particular, the institutional setting has been able to help by smoothing the development of organic farming, following a setback in organic farming growth between 1992 and 1994. The Danish institutional setting is organised to combine the interests of farmers – whether organic or general – with the interests of consumers, industries and ministries. Even so, the working of the institutional setting is not based on opposing interests as the representatives of the organisations have developed a policy community in support of organic farming. This materialised in its ability to develop two strategic development plans aiming at securing sufficient and balanced supplies for the home market and – when supplies appeared plentiful – aiming at developing exports. In Austria, the institutional setting is based mainly on the Lanwirtschaftskammer as the general agriculture organisation supplemented with some advice from competing organic farming organisations. Consequently, the institutional setting in Austria has been much weaker and less ambitious than is the case in Denmark. In Italy, the institutional setting is virtually absent and in Belgium the institutional setting only involves organic farming organisations. Hence, in these three instances, it is left to other actors that have less direct and comprehensive contacts with the sector to prevent or solve problems of organic farming growth. This task may involve for instance the development of action plans, which appear an important tool in organic farming development, and which – outside the six countries studied here – are found in France, Finland, the Netherlands and Sweden among the EU member states (Lampkin et al. 1999).

Thus, an institutional setting based on organic farming views but including the main interests in developing organic farming, seems an important tool in the development of organic farming. In Denmark it seems to have prevented any experience of major setbacks since 1994. Organisations of an institutional setting-type were introduced early on in the development of Austria, Denmark and Belgium – and in all instances they were designed to help solving problems as the organic farming sector developed. This points to the fact that the five steps mentioned above did not, in practice – and could not in theory be expected to – develop sequentially in a way that secures smooth growth. From time to time problems will arise such as insufficient supplies to cover market demand; insufficient sales on overly unfavourable conditions; lack of organic production adaptation to meet consumer demand; feed production that does not correspond to livestock production; or many other problems associated with developing a small farming sector. Hence, it seems necessary to go through the five steps not once and for all but several times in order for conditions in all domains to adapt to changing conditions. Each time the five steps are carried out it should then be expected that the organic farming sector has reached a larger share of national agriculture. Once again, this is demonstrated by the Danish case where each of the major institutional changes means that a change in one domain is influenced by, and also itself influences, changes in the other domains – a feature which – among the other five countries – only appears in the UK example of institutional change, this having taken place around 1998-99.

Hence, the main outcome of this search for a path to successful organic farming development has been to specify five steps, each of which should – as an ideal – involve the presence of organic farming within all institutional domains of agriculture. These steps should, however, not be seen as a once and for all sequence, but rather as a way of specifying the need to develop the basis of a fruitful interrelationship between organic farming and general farming institutions in all domains. Thus, when organic farming has obtained a presence in all domains of agriculture it seems necessary for a successful development of organic farming to act continuously within all domains, aiming at preventing and solving problems for organic farming growth in such a way as to combine efforts of the separate domains. This implies the development of an adaptive institutional setting, which is both *attentive* to the problems, *involved* in the development of organic farming, and *committed* to solving the problems – and on a continuous basis. This, in turn, presupposes a dynamic approach to organic farming development.

When realising the quest for a dynamic approach to organic farming development, creative conflict and competition should, according to economic theory, be the type of interrelationships aimed at. This runs counter to the finding that Austria with the largest organic farming sector is characterised by co-operation, as well as those regions of Italy where the organic farming sectors cover largest shares, and Greece, which is characterised by major growth. In this way the theory questions the developmental potential in these countries. The recent Austrian development suggests that a large organic farming sector has been established, but it seems vulnerable to major changes when the general agriculture conditions change and no organisations appear able to counter the impacts on organic farming arising from these changes. In other words, Austria – under conditions of pure co-operation – has not been able to develop institutions or organisations able to cope with organic farming sector instability. The main source of income for Austrian organic farmers is agriculture policy support, while neither the farming community (via the farmers' farming expertise/productivity) nor the food market seems able to produce a separate and safe earning base. Similar situations are found in Italy and Greece. In Denmark, the earning base is spread across all domains and they are developing on the basis of creative conflict dynamics. In the northern regions of Italy, in the UK and in Belgium there are some organisations and institutions of organic farming established within all three domains, but their impact on development has been limited because the interrelationships with general farming institutions are characterised by competition. Hence, it seems fair to conclude that interrelationships which combine co-operation and competition into some sort of continuous creative conflict are best suited to promoting an enduring growth of organic farming. As creative conflict cannot be characterised as a stable state in the same way as pure co-operation or pure competition, this points to a somewhat constant need for new initiatives aiming at keeping up creative conflict in order to promote organic farming growth.

8.4 Indications of policy instruments in support of organic farming growth

As shown earlier in this chapter, organic farming is not developing along one single line. There are differences in growth patterns within single countries as well as between countries. Hence, when making any policy recommendation it must be recognised that organic farming development depends strongly on the specific circumstances in each country and region. If strong and enduring organic farming growth is the objective then policy must be adapted to the specific circumstances within each country and in each specific situation.

The main idea behind the policy recommendations given here is to aim at supporting the creation of an institutional environment that appears well suited for the development of organic farming. Hence, the following discussion focuses on influencing the four domains in a dynamic way. It is common to distinguish three main types of policy instruments (Michelsen 2001a). The first one includes legal instruments (regulation), which operate through political power/authority and legitimate legal sanctions. One example is organic farming production standards. The second one includes financial instruments, which operate through economic incentives these being either positive in the form of support or negative in the form of taxes and duties, i.e. media related to the working of the market economy. An example here is financial support paid to organic farmers. The third category of policy instruments has no clear labelling but it involves some kind of interaction between the state and private citizens and it is clear that the effect of the instruments of the third category does not rest on clear (positive or negative) sanctions but on compatibility with views and attitudes held by the regulated citizens. As a policy programme usually combines elements of two or three of the categories, it seems more appropriate in this context to prioritise recommendations according to the aspects of development they address (confer Peters and Nispen (eds.) 1998).

8.4.1 Establishing an organic farming sector

In order for organic farming growth to take place, an organic farming sector must be established. This includes the five steps mentioned in sections 8.3.1 and 8.3.2. Each step might be subject to policy measures but in very different ways. The first step involves the establishment of an organic farming community as distinguished from the general farming community. This mainly involves self-organisation of citizens and/or farmers. There is no way in common of organising an organic farming community among the six countries, but it seems that organisations with separate tasks should be involved, for example, in defining and developing organic farming, and organising organic farmers' economic and professional interests and form the basis of organic farming advice and research. The performance of these functions is necessary to secure the rooting of organic farming within the national context. Policy measures may include demands as to the way the tasks are organised – as in the quest for separation of certification bodies and lobbying organisation in the existing EU regulation of organic farming. Another measure might aim at unifying efforts in order to strengthen the organic farming identity vis-à-vis the general farming community.

The second step includes the political recognition of organic farming production standards and is an essential policy measure, which involves political balancing of organic farming perspectives against the interests of other groups – mainly other groups of farmers and consumers. On the basis of the experience built up in the six countries, it seems worth aiming at clear definitions of what distinguishes organic farming from other types of farming. Furthermore, the development path of EU certification seems, in general, to fit well with organic farming growth because it has been sufficiently clear to form the basis of continuing growth. However, as growth appears stronger under unitary standards, policy measures may introduce incentives for developing at least unitary standards within a national context or common standards in a European context. However, common standards need some space for adaptation to national conditions, which might be specified in dialogue with the organic farming community, as it is a central issue in reproducing organic farming identity. This balance between common EU standards and room for national adaptation is already included in EC Reg. 1804/99, which adds organic livestock production standards to the organic crop production standards of EC Reg. 2091/92.

In the third step, organic farming approaches agriculture policy through the introduction of financial support to farmers as well as to organisations supporting the organic farming development of all domains. Regarding support to farmers, it appears important that – as opposed to other agriculture policy-making – possible impacts on the very small market for organic food are considered when designing the support measures. The relevance of this issue is most evident in Germany (Hamm and Michelsen 1996) where organic farmers gained no incentive to adapt to the specific conditions of very large demand in the organic food market. The reason for this was that support paid was aiming at agriculture extensification and was so plentiful that farmers did not need to look to the food market to obtain a satisfying return from their organic farm. In countries like Belgium and the UK, the problem was the other way round. Direct support paid to organic farmers was missing in the formative period of the organic food market and it seems an important explanation for the lack of domestic supplies. Hence, supplies were imported. Financial support to farmers must therefore reflect three overall aspects: the general economy of different farm types in a country, the position of organic farm economy relative to the general farm economy, and the structure of market demand. Regarding other types of political support, it appeared from the in-depth studies that the most broad and ambitious measures were implemented in Austria and Denmark including support for developing advisory systems to farmers, as well as specific research and marketing arrangements. Similar, although less ambitious measures, were available relatively early on in the UK but they were only able to perform their supportive functions when general economic conditions had changed in favour of farmers' conversion to organic farming. These additional measures are briefly returned to when dealing with steps four and five.

Step four involves the establishment of non-competitive interrelationships between organic farming and the general farming community. It may be developed separately or as part of step three as was the case in Austria and Denmark but it seems paramount to the successful development of organic farming because it opens the doors to the main source of recruitment to organic farming – farmers. It is a difficult issue, however, on which to formulate policy recommendations, because the quality of interrelationships (competition/non-competition) depends on the processes going on between the different types of organisations and other parties involved in the interrelationship. It seems rather obvious, however, that one or more fora are needed where organic farming organisations are represented on a par with general farmers' organisations to make or prepare decisions of importance for the development of organic farming. This points to recommending the introduction of some sort of advisory board(s) regarding (different aspects of) organic farming policy. Against the background of the six cases, it seems insufficient that the scope of such fora is limited to certification issues, although they are the most obvious ones. Additional issues for advisory boards are supervision of a balanced composition of organic farming support and of establishing competent, relevant and sufficient advisory services along with organic farming research. It seems, however, even more important that the leadership of such fora is committed to developing organic farming within the context of the general farming community.

Step five involves the establishment of an organic food market, i.e. a part of the general food market. This step is not least important when considering that the main use of the market distinguishes organic farming from other approaches to sustainable agriculture (Lampkin et al. 1999). In the initial phases of organic farming development sales of organic food took place in closed circuits, which cannot be characterised in market terms. If trade is to take place in market conditions, the price is to function as the balancing mechanism between supply and demand and this presupposes the availability of a certain (large) quantity of products (Hamm and Michelsen 1996). In addition, a marketing strategy is needed to cope with the many difficulties of developing the position of a small sector in a big market (Michelsen et al. 1999). Policy measures should include initiatives aimed at adapting supply to demand and the effective functioning of the organic food markets. This includes collecting and publishing statistics on the market to obtain market transparency and harmonisation of production standards and logos (see Michelsen et al. 1999).

8.4.2 Establishing an adaptive institutional environment

The policy measures derived from the five developmental steps aim at establishing organic farming within an institutional environment of the farming community, agriculture policy and the food market. However, as mentioned in section 8.3.3, there is a problem of securing the proper sequencing of steps and of balancing the efforts directed towards each of the three domains in order to reach a successful development of organic farming. Facing these problems, the general recommendation here is to establish an institutional setting. The main issue of the institutional setting is to help all parts of the organic farming sector to adapt to changing conditions. For instance, when major growth occurs, there is a need for securing provisions of organic farmers' special demands for inputs and advice, which differ widely from those available for agriculture in general. Similarly, growing production implies growing supplies of products, which require special marketing channels to obtain prices to cover extra costs of production and distribution. In each instance solutions are not found easily as they have to be developed for a small sector operating within an environment developed for serving general agriculture purposes. In addition, when organic farming faces the options available for solving the problems associated with growth, those acting on behalf of organic farming might even find it necessary to return to the foundations of organic farming and consider revisions in order for organic farming to develop under the prevailing social, economic and political conditions. Hence, adapting to changing conditions in themselves implies considering all aspects of the institutional environment. The main policy question is, how such processes may be promoted.

A first answer to the policy question is that it is the task of the institutional setting to consider problems and secure co-ordination across the three domains of farmers' community, agriculture policy and food market. Hence, part of the solution seems to lie in establishing an adaptive institutional setting – i.e. an institutional setting which is attentive to the development of problematic situations and committed to finding solutions to them on a continuous basis.

The experience of the six countries studied here points to the importance of some co-operation with general agriculture institutions on the basis of mutual respect at rather early stages in the development. However, some conflict seems necessary in order for organic farming identity to be distinguished from other types of agriculture and food production. Hence, the type of interrelationship to be developed seems to be non-competitive although some kind of creative conflict seems fertile. Furthermore, there is a need for continuous efforts within all domains.

It seems possible to combine these demands by establishing an advisory board which includes influential interests from all domains representing both organic and general agriculture interests as well as the interests of the food industry, consumers and public agencies involved in food production and certification. Such an advisory board may find it possible to develop a common understanding, which may be manifested in many different ways. One way of bringing about a common understanding is to frequently review the development path(s) in order to identify areas needing action. Another way is to formulate action plans aimed at specific targets and to specify what instruments are needed for reaching the targets. A third way is to suggest amendments for regulation or public support. However, a major output of a common understanding might not be policy demands, as each organisation represented in such a board will have specific resources available to put into action for achieving different parts of the objectives set up. A supplementary aspect, which appeared in several countries and which seems of special relevance with respect to the establishment of an advisory board, is that one or more persons with authority or influence within the sector – such as ministers or presidents of farming unions – express their will in public to bring about the development of this field.

The main issue of establishing an institutional setting is, however, to reach a point where interrelationships within the institutional environment of organic farming are so strong that a process of mutual adjustment by self-regulation takes place. Part of this situation seems to have been achieved in Denmark. It illustrates that it seems necessary for the organic farming sector to reach a certain size and that main actors in all domains (although not necessarily the largest actors) accept organic farming organisations as (almost equal) partners.

A summary of the recommendations developed and suggested throughout this chapter may serve as the conclusions to the whole report:

To promote growth in organic farming it seems worthwhile to use instruments that support:

- the *establishment* of an organic farming sector through supporting the development of an organic farming identity and the separation of certification and lobbying issues;
- the *political recognition* of organic farming through recognising production standards; promoting the development of unitary standards and adapting common international standards to reflect specific national conditions;
- the introduction of *financial support* through support for farmers, considering the position of the organic farming economy relative to the general farming economy and the balance between supply and market demand;
- the development of *a certain level of cooperative interrelationships* between organic farming and the general farming community through the establishment of fora that facilitate representation of organic farming on a par with general agriculture organisations regarding supply of competent farming advice and research in organic farming
- the development of *an organic food market* through developing marketing strategies; promoting market transparency and harmonising standards and logos;
- the establishment of an attentive and committed *institutional setting* capable of coping with co-operation across domains on a recurrent basis through an advisory board able to identify fields of action, suggest targets for organic farming development and formulate

actions – whether in terms of public policy or in terms of organisational action.

9 References

ADAS (1997): Organic Conversion Information Service Customer Satisfaction Survey. Unpublished report to MAFF. ADAS Market Research Team.

Balfour, E. (1949): The Living Soil. Faber & Faber : London. 248 p.

Boulanger, M. (1994): Le label Biogarantie, les conditions d'attribution et les garanties offertes aux comsommateurs. In CRABE Le marche des produits de l'agriculture biologique dans l'union européenne, Bruxelles.

Coppens, A. (1997): Personal communication on data collected in June-July 1997, Bruxelles.

Dabbert, S. (1997): Support of Organic Farming as a policy instrument for resource conservation. In Isart, J. and Llerena, J.J. (eds). *Resource Use in Organic Farming. Proceedings of the Third ENOF Workshop*, Ancona 5-6 June 1997. LEAAM-Agroecologia, Barcelona, 93-104.

Daugbjerg, C. (1998): *Policy Networks Under Pressure: Pollution Control, Policy Reform and the Power of Farmers.* Aldershot: Ashgate.

Conford, P. (1988): The Organic Tradition – An Anthology of Writing on Organic Farming, 1900-1950.

EC (1991): Council Regulation (EEC) No 2092/91 of 24 June 1991 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs. *Official Journal of the European Communities* L198 (22.7.91), 1-15.

EC (1992): Council Regulation (EEC No 2078/92) of 30 June 1992 on agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside. *Official Journal of the European Communities* L215 (30.7.92), 85-90.

Eder, M. (1998a): Ökonomie des biologischen Landbaus. Der Förderungsdienst 46 (5-Spezial): 13-15.

Eder, M. (1998b): *Der biologische Landbau in Österreich. Situationsdarstellung und Produktionsstrukturanalyse.* PhD-Thesis, University of Agriculture, Vienna.

Eyerman, R. and Jamison, A. (1991): *Social Movement. A Cognitive Approach*. Cambridge: Policy Press.

Fersterer, S. and Gruber, A. (1998):Beratungsstrukturen für die biologische Landwirtschaft in Österreich im Vergleich mit ausgewählten europäischen Ländern. MECCA-Environmental consulting. Vienna.

Foster, C. and Lampkin, N. (1999): European organic production statistics, 1993-96. *Organic Farming in Europe, Economics and Policy, Vol. 3,* Stuttgart: Universität Hohenheim.

Foster, C. and Lampkin, N. (2000): Organic and in-conversion land area, holdings, livestock and crop production in *Europe*, 1993-1998. Unpublished report from the research project: "Effects of the CAP Reform and possible further developments on organic farming in EU".

Fuà, G. (1980): Problemi dello sviluppo tardivo in Europa. Il Mulino: Bologna. 176p.

Fuà, G. and Zacchia, C. (1983): Industrializzazione senza fratture. *Studie e Ricerche, 158,* Bologna.

Groier, M. (1998): Entwicklung und Bedeutung des biologischen Landbaus in Österreich im internationalen Kontext. *Facts & Feature No. 19,* Bundesanstalt für Bergbauernfragen. Vienna.

Hamm, U. and Michelsen, J. (1996): Organic agriculture in a market economy. In Oestergaard, T.V. (ed), *Perspectives from Germany and Denmark in Fundamentals of Organic Agriculture*, 11th IFOAM International Scientific Conference, August 1-15, 1996, Copenhagen, Proceedings Vol. 1.

HOL (1999): Select Committee on the European Community: Organic Farming and European Union. House of Lords, Session 1998/99, HL Paper 93. Stationary Office; London.

Howard, A. (1943): An Agricultural Testament. Oxford University Press, New York and London. 253 p.

INEA (1999): Le misure agroambientali in Italia. 2 vols, INEA, Rome. Ciucciomei R. (2000). Nasce il primo polo dell'agricoltura biologica. Mediterraneo, 3 (11).

ITA (1998): Delphi Report Austria (Part I-III). Institut für Technikfolgen-Abschätzung der österreichischen Akademie der Wissenschaften, Vienna.

Jensen, E. and Michelsen, J. (1991): Afsaetning af oekologiske maelkeprodukter, Kooperativ Forskning, notat 23/91, Sydjysk Universitetscenter.

Laegreid, P. and Pedersen, O. K. (1999): Organisasjonsformer og reformprogram.In Laegreid P. and Pedersen, O. K, (eds). *Fra opbygning til ombygning i staten –*

Organisationsforandringer i tre nordiske lande, Jurist- og Oekonomforbundets Forlag, Denmark.

Lampkin, N., Foster, C., Padel, S. and Midmore, P. (1999): The policy and regulatory environment for organic farming in Europe. *Organic Farming in Europe: Economics and Policy, Vol. 1,* Stuttgart: Universität Hohenheim.

LOJ (1998): Årsberetning.

LOJ (1999): Referat fra Landsforeningen Okologisk Jordbrugs ordinære general forsamling på Århus Holdningsskole søndag den 14. Marts, 1999.

Lowe, P., Flynn, B., Just, F., Valadas de Lima, A. Patricio, T. and Povellato, A. (2000): National Cultural and Institutional Factors in CAP and Environment. In Brouwer, F. and Lowe, P. (eds), *CAP regimes and the European Countryside. Prospects for Integration between Agricultural, Regional and Environmental Policies.* London: CAB International, 257-280.

Lynggaard, K. (2001): The farmer within an institutional environment. Comparing Danish and Belgian organic farming. *Sociologia Ruralis* 41/1: 85-111.

MAFF (1998): Boost for Organic Farming: Cunningham announces interim package. MAFF News Release (136/98), 2 April 1998. Ministry of Agriculture, Fisheries and Food, London.

MAFF (1999a): Organic Growth: Ministry Scheme Uptake in 1999. MAFF News Release (271/99), 2 August 1999. Ministry of Agriculture, Fisheries and Food; London.

MAFF (1999b): Review of support to organic farmers. MAFF News Release (339/99) 4 October 1999. Ministry of Agriculture, Fisheries and Food; London.

Michelsen, J. (1994): Kooperation og nykooperation – salget af oekologiske produkter i Danmark. In *Kooperativ aarsbok 1994*, Föreningen Kooperativa Studier, Stockholm

Michelsen, J. (1994a): The Rationales of Cooperative Organizations. Some Suggestions from Scandinavia. *Annals of Public and Cooperative Economics* 1/94, 13-34.

Michelsen, J. (1997): Institutional preconditions for promoting conversion to organic farming In Isart, J. and Llerena, J.J. (eds.), *Resource Use in Organic Farming. Proceedings of the Third ENOF Workshop*, Ancona 5-6 June 1997. LEAAM-Agroecologia, Barcelona, 265-282.

Michelsen, J. (2001a): Recent development and political acceptance of organic farming in Europe. *Sociologia Ruralis* 41/1: 3-20.

Michelsen, J. (2001b): Organic farming in a regulatory perspective. The Danish case. *Sociologia Ruralis* 41/1: 62-84.

Michelsen, J. and Krongaard, B. (unpubl.): Organic Farming and the CAP. Task 3.1 Institutional factors influencing the variations in the rate of conversion to organic farming in Europe 1985-96. Questionnaire for subcontractors. July 31, 1997.

Michelsen, J., Hamm, U., Wynen, E. and Roth, E. (1999): The European market for organic products: growth and development. *Organic Farming in Europe: Economics and Policy, Vol. 7*, Stuttgart: Universität Hohenheim.

Michelsen, J. and Soegaard, V. (2001): Policy Instruments for Promoting Conversion to Organic Farming and their Effects in Europe 1985-97. Department of Political Science and Public Management, University of Southern Denmark.

Ministére des Classes moyennes et de l'Agriculture(1998): cited in L'Agriculture Biologique (2000): http://www.cmlag.fgov.be/fr/dos/dosdg6_fr2.html.

Mintel (1997): Organic and Ethical Foods. London: Mintel Market Intelligence.

Molterer, W. (1999): Erfolgreicher Biolandbau braucht europäische Impulse. Statement at the joint conference: Organic farming in the European Union - Perspectives for the 21st Century in Baden/Vienna, 3-4.

Morley, E. (1999): Evidence to the House of Lords Select Committee on the European Communities. In *Organic Farming and the European Union*. HL-Paper 93. London: The Stationary Office, 195-209.

NatWest. (1992): National Farm Survey. National Westminster Bank, Coventry.

Neuerburg, W. and Padel, S. (1992): *Organisch-biologischer Landbau in der Praxis*. München: BLV-Verlag.

OBM (1999): Annual report of OBM 1999.

Offermann, F. and Nieberg, H. (2000): Economic performance of organic farms in Europe. *Organic Farming in Europe: Economics and Policy, Vol. 5*, Stuttgart: Universität Hohenheim.

Padel, S. (2001): Conversion to organic farming: a typical example of the diffusion of an innovation? *Sociologia Ruralis* 41/1: 40-61.

Pestoff, V. (1991): *Between Markets and Politics. Co-operatives in Sweden*. Campus, Frankfurt am Main.

Peters, B.G. (1998): *Comparative Politics – theory and methods*. Macmillan Press Ltd., London

Peters, B G. (1999): *Institutional Theory in Political Science – The "New Institutionalism*". Bibbles Ltd., Great Britain

Peters, B. G. and Nispen, F. K. M (eds.) (1998): Public Policy Instruments. Evaluating the Tools of Public Administration. Cheltenham: Edward Elgar, 11-32.

Pinton, R. (2000): Il biologico secondo la legge. In *TuttoBio 2000 (Organic yearbook)*, Distilleria, Forlì.

Posch, A. (1997): Making growth in organic trade a priority. In: The future agenda for organic trade, Proceedings of the 5th IFOAM conference for trade in organic products. (T. Maxted-Frost). IFOAM, Tholey-Theley and Bristol, 9-12.

Richardson, J. (1996): Policy-making in the EU – Interests, ideas and garbage cans of primeval soup in European Union. In Richardson, J. (ed.). *Power and policy-making*. New York: Routledge.

SA (1999): The organic food and farming report 1999. Soil Association, Bristol.

Sabatier, P. A. (1993): Policy Change over a decade or more. In Sabatier, P.A. and Jenkins-Smith, H. C. (eds.), *Policy Change and Learning. An Advocacy Coalition Approach*. Boulder: Westview Press, 13-40.

Santucci F. M. (1998): I mercatini del biologico. In Santucci F.M. (ed.), *Agricoltura biologica tra PAC e mercato*. Quaderno IEPA n. 24. Instituto di Economia e Politica Agraria, Perugia.

Santucci, F. M. (1999): Alla scoperta dei mercatini biologici. Distilleria, Forlì.

Sjöstrand, S. E. (1985): *Samhällsorganisation. En ansats till en ekonomisk mikroteori*. Kristiansstad: Doxa.

Sjöstrand, S. E. (1993): Institutions as Infrastructure of Human Interaction. In Sjoestrand, S.E. (ed.), *Institutional Change – Theory and Empirical Findings*. M.E. Sharpe.

Steinmo, S. and Thelen, K. (1992): Historical institutionalism in comparative politics. In Steinmo, S., Thelen, K. and Longstreth, F., *Structuring Politics – Historical Institutionalism in Comparative Analysis*, Cambridge University Press, USA

Vogel, C. and Hess, J. (1996): Ein Land stellt um? *Ökologie und Landbau 24* (97 [1/96]), 27-32.

Weaver, K. R. and Rockman, B. A. (1993): Assessing the Effects of Institutions In Weaver, K.R. and Rockman, B.A. (eds), *Do Institutions Matter? – Government capabilities in the United States and abroad*. Washington D.C.: The Brookings Institution.

Weber, B. (2000): Dunkle Wolken über der heilen Bio-Welt. In *Blick ins Land 3/2000*.

Willer, H. (ed.), (1998): Ökologischer Landbau in Europa. Perspektiven und Berichte aus den Ländern der Europäischen Union und den EFTA-Staaten. Holm, Deukalion.

Winter, M. (1996): *Rural Politics: Policies for Agriculture, Forestry, and the Environment*. London: Routledge.

Wynen, E. (1996): Research implications of a paradigm shift in agriculture: The case of organic farming. Centre for Resource and Environmental Studies, Australian National University; Canberra.

Zamboni, S. (1993): *Il biologico è servito*. La Nuova Ecologia, 2.

Zanoli, R. (1997a): L'agricoltura biologica: prospettive normative e di mercato. Atti del Convegno Nazionale Agricoltura biologica. In *Italia: aspetti tecnici, economici e normative*. Ancona, 22-23 febbraio 1995, Regione Marche - Consiglio Regionale, Ancona.

Zanoli, R. (1997b): L'agricoltura biologica. In INEA (ed), *Annuario dell'agricoltura italiana*, Vol. LI, Rome.

Zanoli, R. (1998): Ökologischer Landbau in Italien. In Willer, H. (ed.), *Ökologischer Landbau in Europa. Perspektiven und Berichte aus den Ländern der Europäischen Union und den EFTA-Staaten*. Holm: Deukalion.

Zanoli, R. (1999a): Aree e comparti in sviluppo e in ritardo, unpublished report for the INIPA-AGER research on *Agricoltura ed ecoambiente: indagine sui fabbisogni formativi del settore*.

Zanoli, R. (1999b): Prodotti biologici e mercato alimentare. Atti del Convegno della Società Italia di Economia Agro-alimentare: Il sistema agro-alimentare nazionale alla vigilia del terzo millennio, Ancona, 30 giugno – 1 luglio 1999, Ancona.

Zanoli, R. and Naspetti, S. (1999): Il vino bio. Valorizzazione e marketing, Manuali Meditteranei 3, Edizioni AMAB, Senigallia.

Seite xiii: [1] Gelöscht Anna Häring 15.03.2001 15:39:00

AMA	Agrar Markt Austria
ARGE	Arbeitsgemeinschaft zu Förderung des biologischen Landbaus
BAF	Verein der biologisch wirtschaftenden Ackerbaubetriebe

Seite xiv: [2] Gelöscht Anna Häring 15.03.2001 15:39:00

Ecological Farming Association of Greece (*Syllogos Ikologikis Georgias Elladas*)

Seite xv: [3] Gelöscht Anna Häring 15.03.2001 15:39:00

AAB	Associazione per l'Agricoltura Biodinamica – biological cultural organisation
AIAB	Associazione Italiana per l'Agricoltura Biologica - organic producer association
CCPB	Consorzio per il Controllo dei Prodotti Biologici – organic cooperative

Seite xvi: [4] Gelöscht Anna Häring 15.03.2001 15:39:00

ADAS	ADAS consulting
SAC	SAC Scottish Agricultural College

Seite 2: [5] Gelöscht Anna Häring 19.02.2001 13:59:00

Table 1-1. Number of certified and policy-supported organic and in-conversion farms in EU member states to share of all farms

Seite 2: [6] Gelöscht Anna Häring 19.02.2001 13:59:00