Organic Estates General 2009

Development strategies and concrete actions. A summary.

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1. Introduction

The proposals and recommendations presented here briefly are the result of several months of work in which numerous persons, experts and entities/organizations of the sector actively collaborated to identify the most urgent unanswered questions of the Italian organic farming system as well as possible solutions. The work is being done by over 300 actors (and approximately 80 entities, institutions and farms) that have used the meetings and workshops organized under the Estates General to discuss about some specific issues.

An exchange was activated by means of the so-called thematic papers, contextual and summary reports about major problems – as found in the scientific literature and the debate currently underway – regarding four specific areas: technologies, environment, enterprises, markets. Starting with the introductory thematic reports, each issue was confronted by small groups (theme-based groups), for the purpose of examining certain matters, and were used as premises for an open conversation (territorial workshops) to understand the degree of urgency – and therefore the priority of the problems – as perceived by various parties of the organic farming system and to identify possible solutions. For pure expository convenience, and to facilitate recognition, the proposals are reproduced below according to the more traditional breakdown of actions designed for production and those designed for distribution. In addition to these numerous proposals have been formulated to improve knowledge about the sector, knowledge understood as research activities, the training of operators and, lastly, communication to consumers.

The proposals presented here constitute the basis of the 'Declaration of Italian Organic Farming', as proposed by the Organic Estates General, and they are presented during the final convention for the chief purpose of submitting them to the public administration as a possible instrument for the orientation of policy decisions regarding the organic farming system.

We would like to inform you that there is an online forum at the website of the project (www.inea.it/statigeneralibio) that will keep the discussion on proposals active until 31 January 2010, the closing date of the discussion. Any further contributions can therefore be taken into consideration for the definitive report that will be divulged in the first semester of 2010.

We would like to end this brief introduction by emphasizing that the content of this report on the proposals and recommendations refers to the thematic papers included in the latter part of the report. Therefore they should be consulted to fully understand the meaning and context of the proposals presented here only briefly.

The results obtained were decisive thanks to the collaboration of all those who participated actively in the discussion. We would like to thank them all for any potential future initiative implemented by the Estates General to guide and foster development in this sector.

2. Proposals and recommendations for the PRODUCTION phase

The open questions of organic farming which were brought to light during the Estates General Conference mainly involve the marketing difficulties due to the lack of adequate outlets and the fragmentation of offer that often precludes an adequate appreciation and recognition of the products. On the other hand public support until now has been mainly oriented toward production, rather than strengthening the entire chain. The public support given to production should also be revised in terms of: the magnitude of the actions, which should be proportionate to the social benefit produced; balancing it with the support given to other forms of agriculture having low environmental impact; and help to other areas, such as training and assistance.

It became clear that production issues which are purely technical intersect closely with economic aspects thereby inducing technical management decisions but do not always seem to be consistent with adequate preservation of natural resources. From this point of view, though acknowledging the utility of a systemic (agro-ecological) approach to ensure the environmental sustainability of the organic farming method, the adoption of this approach runs into significant obstacles in a large number of farms, to the point that it becomes necessary to implement a gradual transition period in which experimentation and research can find the technical solutions most suitable to the needs of the farm and most environmentally friendly.

The proposals formulated by the Estates General and presented below converge towards the identification of solutions to the major problems. Consequently a strategy was found that -- based on the assumption of promoting the development of the sector according to methods and processes that are in line with its foundation principles -- intends to reinforce the distinctive features of organic farming that run the risk of becoming weaker as a result of exogenous factors (e.g. globalization) and endogenous factors (e.g. the distortions caused by support).

In particular the development of the sector must be closely related to a process of strengthening and consolidation that affects the primary production phase as well as the other phases of the chain. This process must be fostered by adequate public support which, in addition to the specific actions taken in the sector, should also affect (and supplement) a strategy which, like that of rural development, pursues broad-ranging and multilayered goals (socio-economic, territorial, etc).

The actions must be aimed in particular at rebalancing the various components along the chain with greater negotiating power given to farms that:

- make a social (environmental) contribution and quality products that must be adequately recognized and appreciated by public support and price, thereby guaranteeing fair remuneration;
- need a leaner and more flexible certification/control system that can considerably reduce bureaucratic procedures;
- should be provided with adequate market outlets;
- should be provided with a suitable training process and better assistance in company management and marketing.

The specific actions considered priority on the production level are substantially based on the following three aspects.

The development of organic farming: differentiated and towards a real agro-ecological approach

1. A greater identity for organic farming

The organic farming and development model must be clearly differentiated from conventional and other agricultural production methods having low environmental impact. The distinctive factors will find reference in the concept of sustainability and will reside not only in the production method but will involve the entire chain, from the ‘field to the table’. Moreover the model should take into account the different types of agriculture according to the environmental characteristics, the market

and the socioeconomic context so that it can generate different implementations according to the territory, especially in terms of marketing and distribution modalities (long /short supply chain).

2. Promoting the agro-ecological approach

Organic farming systems, in terms of primary production, should gradually aim towards a real agro-ecological approach, which should include a review of legislation, adopting techniques that conserve the fertility of the soil, prioritizing preventive defence techniques and making wise use of high-risk technical means whose instructions for use and authorization permits must be redefined to increase the degree of transparency and clarity on these matters.

Supporting this sector: correlations with social benefits and orientation toward development

3. Public action in line with the goals

Development of this sector must be supported by adequate, efficacious and efficient government funding that will help adopt instruments in line with the goals established in terms of the environment, the chain and the market. In financial terms in particular, the level of the actions must be directly correlated to the environmental performance of the production methods and modulated according to production and territorial typologies to allow greater selectivity to the public intervention and separate those who are "doing business" from those who are “cultivating a contribution”.

4. Support to strengthen and balance the chain

Support given to this sector must affect the entire organic production chain (including the certification phase) to foster the construction of a solid chain that ensures a balance among the various actors. In particular it must incentivize the concentration of supply by means of interprofessional agreements and favour communication among operators, through the use of IT instruments, among others.

5. Support for a development strategy

The support instruments must pursue a medium-and long-term strategy and favour the development of the sector with adequate support to investments. Moreover greater integration must be sought between the actions being taken in the active sector and those aimed at the development of rural territories.

The trust of consumers: stringent standards in a user-friendly coordinated control system

6. Simplification of the procedures in the control system

The proper adoption of the organic model by farms and its recognisability from the outside must be guaranteed by a coordinated and efficacious control system. On the basis of shared protocols, the control bodies must adopt procedures that are stringent but at the same time user- friendly to entrepreneurs for practical application; they should also be incentivized to use a common IT system that would reduce the statistical annoyance to farms.

7. Environmental management plan for certification and consultations

Adoption of the environmental plan by the organic farm, as a possible reference for certification and consultation, can provide information for a holistic vision of the farm system and make it possible to plan the management of crops in terms of their environmental effects and of the uncultivated/non productive areas of ecological priority. It would also have a positive effect on territorial planning (organic districts).

8. Global guarantees and adaptation of the chain

The certification procedures must be more oriented towards controlling the product and not only the process, and specific support could be provided to this end. Nonetheless we must seek a stringent but less daunting way to achieve the certification of organic products sold directly. An equivalency system must be concretely implemented for products imported from third-party countries through a suitable harmonization of laws and regulations.

9. Enhancing of the environmental component in the certification process

Environmental certification elements will have to be introduced for a better qualification of the products involved. This would improve the image of the sustainability of the method while providing information about the environmental impact (environmental indicators and environmental management plan).

3. Proposals and recommendations for the DISTRIBUTION phase

The distribution of organic products suffers partially from the same problems as those of conventional agriculture. For example, when breaking down the value of the products along the chain we see contractual power distributed unevenly among the actors, penalizing producers to the advantage of other actors further downstream. Then there are the specific problems of the organic sector where farms have greater difficulties and more constraints in adapting to the standards required by the conventional distribution channels (chain stores) often contacted by the organic farmers due to their difficulty in finding more satisfactory alternative channels/outlets.

Price is one of the more significant problems in this sector. The price differential between organic products and conventional ones is high, even though it shows a certain variability depending on product and production area. Moreover, the price of organic products is more unstable than that of conventional products, an element that seems to prove, along with the first element mentioned above, that the organic market is weaker. Therefore it is necessary to identify a strategy that aims at the structural strengthening of the market in the hope of making organic products more competitive. Nonetheless, we should point out that a reduction in the prices of organic products should not be a complete disadvantage to the producers; on the contrary, they should be appreciated and paid adequately for the social benefits they bring by using organic farming methods.

A differentiation of the distribution channels, a reinforcement of the distinctive character of organic products (quality), sustainability along the entire chain: these are the principal elements of the strategy for the distribution phase of organic products.

Commercial channels: differentiation for the sake of flexibility

10. Fostering the diversification of sales channels

The coexistence of differentiated distribution models (conventional, specialized, alternative, institutional) can meet the needs of a sector that presents different productive characteristics and can reach segments of consumers having different sensibilities and preferences, thereby increasing the overall efficiency of the sector. It must therefore ensure a balanced development of several sales channels while seeking multiparty synergies and strategies.

11. Reinforcing institutional markets

The institutional purchasing channels must be reinforced (school lunch and hospital cafeterias, etc.). These comprise an advantageous market and at the same time play an important educational role. The access regulations must be adapted and harmonized, with the help of procedures (tenders) that

take into account the specific organizational methods of the sector and the natural constraints of organic productions. In this sense special attention should be given to direct relations with local farms.

12. Fostering the encounter of supply and demand by using the short chain
Thanks to the direct relationship between producers and consumers, the short chain plays an important role, especially for small farms. Moreover it is the 'natural' place where local productions can be appreciated/valorised. Moreover, there is an increase in the opportunities for sale in production places that are far from markets especially for certain types of products (fresh vegetables and transformed products). The development of the short chain must therefore be adequately stimulated.

13. Increasing facilities of sale on consignement
The establishment of ongoing direct sales facilities should be encouraged (e.g. specialized shops in the direct sale on consignement, as in the case of the Città dell'Altra Economia di Roma). In some cases this contributes to solving the drawbacks of insufficient internal resources to dedicate to farm sales.

14. Reinforcement of the logistics platforms for organic products
The development of specialized logistics platforms for organic products is essential for the sector. Therefore the current platforms must be reinforced and support should be given to new facilities whose size must be modulated in relation to the characteristics of the context (the regional context lends itself particularly well to farms in southern Italy).

The value of organic products: fair price, 'a right to organic' and sustainability

15. Providing access to organic products
Access to organic products must be guaranteed to consumers in terms of prices and availability of the products and to producers in terms of specific consultation and training services regarding all the technical, legislative and procedural matters.

16. Guaranteeing a fair price
*The price of organic products must reflect the social costs sustained by producers and must guarantee a fair distribution of the benefits and costs among the various operators.

17. Increasing the competitiveness of organic products
The reduction of the consumer prices can be sought by eliminating unnecessary costs along the chain (food scraps, packaging, long-distance transportation). In this sense fiscal leverage can also be applied, acting especially on the VAT of certain products to reduce their consumer price.

18. Fostering the development of sustainable chains 'from the field to the table'
We will need to increase sustainability along the chain by encouraging the development of specific processes that allow consumers to differentiate between the quality of organic products and other products. This can be achieved by implementing: sustainable logistics, environmental friendly packaging and/or its limitation, commending biodiversity, thinking of seasonality as an opportunity for innovation, nutritional value and organoleptic characteristics.

4. Proposals and recommendations for KNOWLEDGE

The whole of activities regarding production, sharing and spreading knowledge – the so-called "knowledge system" – plays a crucial role in affirming the organic sector both in terms of the endogenous factor of developing innovations and growing human capital as well as the exogenous factor associated with the awareness of the value of organic foods to consumers and to all citizens in general. In the course of the discussion, and throughout the thematic examinations, there appeared to be a strong need to reinforce actions to guarantee an adequate flow of information about organic agriculture to strengthen "nonconventional" production models that are competitive and suitable to the current social economic context. At the same time it is necessary to "communicate organic" on the outside by applying leverage to lifestyles that are more responsive to models of sustainable development. Therefore we should highlight the values of organic in terms of environmental protection, food safety and sustainable consumption practices.

The world of *research*, the sector of *education* and development *services* are the areas in which certain actions have been identified that are complementary to those found within production and distribution. As regards research, it should be pointed out that in the course of the past few years there have been specific calls bids for organic agriculture: out of an overall number of 132 calls for a total cost of EUR 23.4 million, 18 involved organic agriculture (EUR 3.9 million). It is a first step but it also seems appears evident that the resources dedicated to research projects focusing on organic agriculture must be boosted. On the other hand, in high schools and universities ongoing training appears to be essential to improve the human capital at the disposal of organic farming considering the growing importance of this aspect for the efficiency and competitiveness of the production system. Finally we must not underestimate the potentialities of services to organic farming: these are complex situations that are continuously evolving and, if well organized, they allow enterprises to express the best of their economic and social capabilities while minimizing the negative influences of the constraints, risks, and insufficient knowledge about the context.

Strengthening research for organic agriculture

19. Increasing financial resources in favour of research on organic agriculture

Considering the prominent role attributed to organic agriculture regarding climate change, healthy eating and a better quality of life, the financial and personal resources dedicated to the study of organic production systems should to be ample.

20. Promoting research based on the agro-ecological approach

The study of the effects of the uncultivated environment (ecological infrastructure) for the defence of crops, their production and their economic sustainability (functional biodiversity) represents an innovative frontier for a "nonconventional" productive model, i.e. that of organic farming. We will have to launch research/experimentation activities on a large scale for the management of semi-natural habitats associated with the organic production method.

21. Quantifying the environmental benefit of organic farming

Specific research projects must focus on finding concise indicators calibrated locally on the basis of agro-ecology to be used in an integrated appraisal system (e.g. multi-criteria, multi-scale). In this case too the participatory approach must guarantee a) corroboration of the reliability of the results obtained and b) greater awareness of the operators on the effects. The identification/quantification of the benefits of individual agronomic techniques of the organic method with respect to the specific environmental components (water, soil, air, etc.) will give us more clarity in terms of the

cost-efficiency of agro-environmental policies with the possibility of selecting the measures that guarantee the best ratio between cost and efficacy.

Organization of the research projects

22. Activating small and midsized multidisciplinary research projects

Multidisciplinarity ensures the possibility of analyzing the organic production systems as a whole according to a holistic approach that is better for finding the technical solutions suited to the organic production situation. We should take care to avoid fragmenting the research activities into a myriad of short-term projects or small-sized projects that do not guarantee an identification of technical solutions that can actually be applied.

23. Providing a constant connection between the research sector and the world of production

The effective transfer of knowledge and innovations is key to the success of a modern productive system. Greater integration between basic research and applied research represents the first link of a chain that should allow bilateral communication between the operators of the sector and researchers. The participatory research models will be a good approach to ensure the adequate transfer of innovations and, equally significant, verification on the fields of the efficacy of the proposed technical solutions. Moreover, the participatory approach is consistent with the variety of situations that organic farming must deal with.

24. Promoting the involvement of experimental farms in the research programs

To favour the exchange of experiences between farmers, the approach of demonstration/experimental farms, revisited according to the latest communication technologies could be a good starting point.

Genetic improvement for organic farming

25. Developing ad hoc varieties for organic farming (grains, vegetables, fruit, forage)

The development of ad hoc cultivars for organic systems would make it possible to increase their performance and, more important, the quality of the production. Moreover, it would be perfectly in line with an agro-ecological management philosophy of the production system. The two principal obstacles that can be foreseen are insufficient interest in investments in research and development of these cultivars by seed farms and the difficulty in recognizing their surplus value by the market and consumers.

26. Determining local breeds with characteristics useful for organic breeding

The use of local breeds on organic livestock farms fits perfectly with the agro-ecological approach because it enhances the endogenous genetic resources of agro-ecosystems and allows interesting prospects for developing short-chains that focus in high-quality products.

27. Re-organization of the network of institutions for the management and recognition of traditional genetic material

Find a national public organization that can be tasked with the coordination, management and recognition of traditional genetic material conserved *ex situ* in the germplasm banks of the CRA, the Regions, the Universities and the CNR [National Council on Research]. Delegate the coordination of the conservation and appreciation of the genetic resources conserved *in situ* and *on farm* by the existing Rete Interregionale Biodiversità in Agricoltura and by other entities, including non-profit associations. The Interregional Biodiversity Network [La Rete Interregionale Biodiversità] consults

with and periodically exchanges ideas with the aforementioned public organization. The promotion of new programs for genetic selection and improvement (also by means of public-private collaborations) starting with specific criteria for organic farming, including maintenance of the *wild relatives*, and in which there would be ample space for the participatory approach on a local scale with the actors who will be the recipients of these innovations.

Consultation and (environmental) training for organic agriculture operators

28. Provide ongoing training programs for operators on environmental issues
The service facilities/organization will have to provide, under the supervision of public authorities, an efficacious training system for organic operators that would create the possibility of replanning farm systems to conform to the environmental sustainability parameters (indicators, environmental management plan), possibly with the involvement of consumers. This last-mentioned aspect will take on particular importance given the increasing significance of the new media associated with Internet.

29. Reinforcing consultation activities regarding techniques and economic management
Adequate consultation services will be provided to the entrepreneur during the conversion phase, ensuring not only actual technical assistance but administrative support (among which, agro-environmental payments, certification, the management of remainders, transportation, logistics, etc.) and marketing. The proposal of technical solutions must not be separate from an adequate analysis of environmental effects (direct and indirect) that these decisions might trigger. Special attention should be paid to the actions aimed at determining and spreading "best practices" of organic farming and creating bilateral connections with the world of research.

30. Providing technician training appropriate for organic production models
The higher education of new trainers/educators must be improved, by adapting their wealth know-how to the principles of organic farming, with special attention to the environmental effects of production activities. The higher level education (university undergraduate and master's courses) must be able to transmit transdisciplinary methods that conform to a holistic approach.

Communicating with consumers about quality, nutritional and environmental characteristics

31. Improve the quantity and quality of information given to consumers
Proper communication actions (based on scientific evidence) that are efficacious and exhaustive should be carried out (or strengthened in places where they already exist). This type of communication should avoid banalizing or simplifying the subject matter. The information campaigns must highlight the qualitative and nutritional characteristics of organic products and their lower impact on the environment and human health. By communicating the determining factors of quality (technological, health, sensorial) of the products and their relation to the production method, particular emphasis will be given to the certification processes that increase transparency in the sector.

32. Increasing actions to incentivize consumer loyalty
Along with general but accurate information, we need to reinforce the type of actions that favour the consumer loyalty creation by organizing farm visits, planning the routine presence of the entrepreneurs at the point-of-sale, distributing brochures. Special attention should be paid to the communicating the contribution of organic farming to the conservation of biodiversity, the mitigation of climate change and the maintenance of social fairness in Italy and developing

countries. Moreover, the encounter between supply and demand by means of an IT network with the use of dedicated portals should be fostered by carrying out an adequate parallel training program for the operators on how to use these instruments.

Food and environmental education processes

33. Creating awareness of the sustainability of agricultural production

Promoting education about food and the environment on all levels, from elementary school up, for all categories (citizens, producers, consumers, specialized technicians/engineers, etc.) is the best way to redouble the efforts made by the operators to apply the principles of sustainability to farm production. Therefore even sustainable consumption should become a value that identifies how many people support the organic sector.

34. Promoting specific programs of actions in the school system

These actions should adopt a multi-sectorial approach and involve, in addition to specialists, the medical field and the ASL [Local Health Offices]. The intention is to build the foundations for an education about health, that will decrease the related social costs [of health]. These courses must be introduced in the training proposal plans (TPP), with the goal of raising the awareness of future consumers and increasing their ability to make informed decisions.