

ITALY'S CHAMBER OF DEPUTIES Document XVIII No. 17

THE STANDING COMMITTEE ON AGRICULTURE

**FINAL DOCUMENT, PUBLISHED PURSUANT TO RULE OF PROCEDURE NO. 127, AND
RELATING TO:**

Proposal for a Regulation of the European Parliament and of the Council on organic production and the labelling of organic products (COM(2014)180 final)

Communication from the European Commission – Action Plan for the future of Organic Production in the European Union (COM(2014)179 final)

Approved at the session of 4 December 2014

FINAL DOCUMENT APPROVED BY THE COMMITTEE

The Committee on Agriculture,

having examined, pursuant to Rule of Procedure no. 127, the proposal for a regulation of the European Parliament and of the Council on Organic Production and the Labelling of Organic Products (COM(2014)180) and the Action Plan for the Future of Organic Production in the European Union (COM(2014)179),

Preamble:

with 1.2 million hectares of land and 40,000 agricultural holdings dedicated exclusively to organic production, Italy is among the top ten producers of organic products in the world and second in Europe after Spain; it therefore regards the sector as being of pre-eminent interest;

in furtherance of the European Commission's commendable goal of improving the laws governing organic production through the adoption of basic, clear and simplified rules and principles to be applied across several sectors, which, given the healthy prospects of the market, should render organic production more attractive, account needs to be taken of the specificities of organic farming in Italy and in the Mediterranean as a whole, which differs from that of northern European countries;

structurally complex and highly detailed, the proposed Regulation touches on many aspects. In some instances, it makes reference to measures contained in other legislative proposals that are under examination – such as, for example, provisions relating to official controls. As a consequence, a number of pertinent issues are still being discussed in European institutions, and whereas substantial agreement on some points has been reached, Member States have taken contrasting stances on several others;

having regard to:

the Government report prepared by the Ministry of Agriculture, Food and Forestry and submitted to Parliament pursuant to article 6, paragraph 4, of Law 234 of 24 December 2012, which finds the provisions of the proposed Regulation to be generally in line with the national interest;

the report made to this Committee by the Minister for Agriculture, Food and Forestry Maurizio Martina and the priorities of the Italian Presidency of the Council of the European Union with respect to the organic sector, as well as the latest procedural stages of the proposal in the European institutions;

Resolution no. 1 approved on 14 May 2014 by the Fifth Committee of the Regional Council of the Autonomous Region of Friuli-Venezia Giulia, as per articles 25 and 24, paragraph 3, of Law 234 of 2012 and Protocol 2 annexed to the TFEU;

the information and assessments gathered in the course of the fact-finding inquiry conducted by this Committee;

the opinion of the Committee on European Union Policies on the Communication approved on 3 December 2014 that, along with this Final Document, will be sent to the European institutions as part of the so-called political dialogue,

expresses a generally favourable opinion and calls on the Government to continue with negotiations at the EU level, while taking account of the following observations:

Definitions

- a) generally speaking, it needs to be specified that plant reproductive material also includes vegetable seed, given that the proposed Regulation on plant reproductive material (COM(2013) 262), which was once part of the so-called agri-food safety package, has been withdrawn by the European Commission (see point i) below);
- b) the definition of what constitutes agriculture raw materials should be further examined (article 3, point 3);
- c) we would like to see further analysis being made of whether the upper limit of 5 hectares used to determine a group of operators for group-certification purposes should be revised, as we feel the limit is too generic, penalises certain types of farming and livestock rearing, and fails to take account of the value of different forms of production with respect to the production zones. In the case of livestock farms, for example, a better yardstick might be the number of animals (article 3 paragraph 7);

Exemptions

- d) in general, taking account of the discussions at the European level and of the representations of operators in the organic sector, we concur with the goal of progressively doing away with exemptions, but nonetheless believe that this needs to be effected with a suitable degree of gradualism, appropriate time frames and accompanying measures so as to leave room for the system as a whole to adapt to the change, reflect the necessity of respecting local conditions and regional peculiarities and, at the same time, constantly assure maximum regulatory transparency;
- e) in any case, consideration should be given to the possible inclusion of non-organic ingredients (feed and seeds) in a positive list wherever organic ingredients are insufficient, so that the sector may have enough time to adjust to market development;

Conversion

- f)* with respect to mixed farms, in light of the amendments made during the passage of the proposal through the European institutions abolishing the requirement for the full conversion of farms (a requirement that would have resulted in a decrease in production and discouraged conversion), consideration should be given to developing technical instruments during the transitional phase and identifying suitable accompanying measures to enable farmers to assess the environmental, technical and economic sustainability both of the conversion and of the resulting farm produce;
- g)* in the case of partial conversion, however, the sites need to be more clearly distinguished and separated from a logistical, operational and functional perspective (article 8, paragraph 5);
- h)* as regards aquaculture in particular, an adequate separation of production sites is necessary, yet agricultural holdings should be allowed to manage a species that is both undergoing conversion and being farmed by conventional means;

GMOs

- i)* although the Legal Service of the European Commission has specified that the definition of "plant reproductive material" shall include seeds, for the sake of greater clarity and unequivocal interpretation, it seems appropriate to specify this in article 9 of the proposed regulation, which sets out the rules prohibiting the use of GMOs in accordance with Regulation EC 834/2007. It should also be noted that, in Italy, products indicating the presence of GMOs on their label cannot currently be marketed as organic;
- j)* it also seems appropriate to maintain the obligation for operators who use non-organic products purchased from third parties to ask the sellers to confirm that they are not obtained or derived from GMOs;

Certification

- k)* it does not seem desirable that an operator should receive certification from different organizations for different product groups. Each operator should be certified by a single control authority (article 25, paragraph 3);

Controls and groups of operators

- l)* in view of the absence of specific rules from the proposal under examination, and given that the definition of a single system of official controls is addressed in a separate European Commission proposal (COM(2013)265) that is still under discussion in European institutions and whose passage is rather problematic, we express particular concern at the implications for transparency both for operators and for consumers. Accordingly, we favour the adoption of a system that is based on risk analysis;
- m)* in the absence of a definitive text, it seems premature to advance any opinions regarding the functioning and organisation of the controls; nonetheless, the hypothesis that the frequency of controls should be determined by means of delegated acts does not seem appropriate;
- n)* we believe the annual frequency of controls should be maintained, as should the exemption from control of retailers who sell packaged products, because to do

otherwise would conflict with the necessary objective of simplifying compliance requirements and streamlining bureaucratic protocols;

- o) due consideration must be given to the realities of the distribution sectors of the various countries, some of which, such as those of Italy, are made up of a complex fabric of small and medium operators that also carry out logistic and marketing functions;
- p) while we concur with the general principle of setting a minimum threshold of pesticide residues, beyond which a product may not be sold as organic, and likewise agree that operators subject to accidental contamination beyond these limits should be entitled to compensation, the elements that would allow to assess how these principles are to be enforced are insufficient;
- q) in general, it is necessary to look at the potential effects - in terms of clarity and transparency of the regulations for the organic farming sector - of consolidating rules on controls into a single text (Regulation COM(2013)265 on official controls) referring to all the phases of production and of the supply chain rather than just to the product;

Imports from third countries

- r) whereas, in this case too, there exists an element of uncertainty as reference is made to delegated and implementing acts of the European Commission concerning such matters as the free movement of products, seed banks and reproductive material, the authorisation or revocation of approved substances, and the labelling and the notification of operators, we agree with the objective of strengthening the rules on the Commission's accreditation and supervision powers in third countries. With a view to establishing consistency and general regulatory coherence, we would draw attention to the need to look at what European regulations, currently in force but under revision, already prescribe for the importation of organic products from third countries (Regulation 1235 of 2008);

Organic districts

- s) it is to be noted that many of the recommendations contained in the proposal under examination and in the Action Plan (COM (2014) 179) point towards the development of organic districts (environmental performance, group certification for small producers, locally sourced fodder), which are increasingly numerous in Italy and in some European countries (France and Austria). They offer a concrete example of how the promotion of organic products can dovetail with the promotion of the special qualities of local districts and thereby enhance their environmental, economic, social and cultural potential. In furtherance of the integration of the organic districts present throughout all European countries, which to a certain extent are already working as a network, it seems appropriate that explicit reference to the same be included in the proposed Regulation;

Delegated acts

- t) in several places the proposal refers to delegated acts that are to be adopted after the entry into force of the proposal. Generally speaking, and taking into account the widespread misgivings expressed during our fact-finding work, we feel it would be fitting to restrict the use of those acts if the provisions refer to technical aspects and specific rules of production in individual sectors that might significantly and negatively

impact on the agricultural, agri-food and distribution systems of individual countries, where those systems have particular characteristics and complex configurations.

ANNEX

OPINION OF THE FOURTEENTH COMMITTEE (EU POLICIES)

The Committee on EU Policies,

having examined the proposal for a regulation of the European Parliament and of the Council on organic production and labelling of organic products, amending Regulation (EU) No. XXX/XXX of the European Parliament and of the Council on official controls and repealing Regulation EC/834/2007 of the Council of 28 June 2007 (COM(2014)180 final);

having considered the Government report prepared by the Ministry of Agriculture, Food and Forestry and submitted to Parliament pursuant to article 6, paragraph 4, of Law 234 of 24 December 2012, which finds the provisions of the proposed Regulation to be generally consistent with the national interest;

considering that the proposal, along with the European Commission Communication containing the Action Plan for the Future of Organic Farming in the European Union, form part of a wider package and is complementary to a proposal for a new Regulation on official controls that seeks to establish an integrated approach in all areas of the food supply chain to ensure adequate levels of safety, while at the same time simplifying the overall legislative framework;

whereas:

the legal basis for the proposal is article 42, paragraph 1, and article 43, paragraph 2, of the Treaty on the Functioning of the European Union (TFEU), which specify that rules of competition apply to the production and trade of agricultural products only to the extent determined by the European Parliament and the Council, within the framework of the common market organization and of the provisions necessary for the pursuit of the objectives of the common agricultural and fisheries policy that was established by the aforementioned institutions by ordinary procedure;

with respect to subsidiarity, the motivation of the proposal seems generally adequate, since the establishment of an EU-level system of organic farming would be more efficient than the coexistence of 28 separate national systems of law. In particular, the proposal would allow further regulatory harmonisation and restrict Member States' ability to authorise regulatory exceptions, which often result in unfair competition between different operators, have a negative impact on consumer confidence, complicate legislation and impair trade. The provisions of the proposal are also better suited than national laws to encouraging a trade policy that is both stronger and more coherent with respect to international trading partners;

the proposal also complies with the principle of proportionality, and in some cases propounds new requirements for the addressees that seem to be generally consistent with its aims;

several provisions in the proposal would grant the European Commission power to adopt delegated and implementing acts, including on very sensitive and economically important issues;

the provisions of the proposal are of particular importance to Italy which is one of the top ten countries in the world in this sector and, with over 40,000 agricultural holdings operating exclusively in organic production, is first in the EU for the number of producers, and, with nearly 1.2 million hectares of land under organic cultivation, is second in the EU in terms of acreage;

the Government report referred to above considers the provisions of the proposal, which is designed to overcome the shortcomings of current legislation, as being consistent with the national interest, and stresses that certain of its points respond to specific requests that Italy has been making for some time, with particular regard to the modification of import rules, the identification of a threshold to define the occasional presence of unauthorised products in organic farming and the introduction of group certification for small agricultural holdings. The same report indicates that the proposal does not imply any new financial or administrative burdens for Italy;

emphasising that the Government must keep Parliament constantly apprised of developments in the negotiations on the proposal in European institutions;

taking note also that this opinion along with the final document approved by the Main Committee must be transmitted to the European Parliament and the European Commission as part of the political dialogue;

does hereby express:

A FAVOURABLE OPINION

with the following observations:

- 1) the Main Committee should consider emphasising that the provisions in the proposal that grant delegated or executive powers to the European Commission must not permit the referral to secondary acts of essential elements that should be appropriately regulated in primary legislation;
- 2) the Main Committee should consider emphasising the need to ensure that during negotiations full consistency and complementarity be maintained between the provisions of the proposal under consideration and those of the aforementioned proposal for a regulation on controls, which is also still under examination by EU institutions.