

Brussels, 11 February 2002

Dear Commissioner,

With this letter the European Environmental Bureau (EEB) and the Association of European Consumers (AEC) would like to ask you to introduce economic or fiscal incentives for organic farming.

Compared to conventional farming, organic farming leads to substantially lower environmental pressure. Farm animals on organic farms are raised according to high standards of animal welfare. In addition, organic produce contains no residues of chemical pesticides, antibiotics or hormones. From this perspective, it is also healthier than conventional food. This is why we believe that organic production and consumption deserve to be actively supported.

An effective way to support organic farming is to introduce fiscal or other economic incentives. This is the subject of a recent report "Stimulating organic farming in the EU with economic and fiscal instruments" (written by the Dutch Centre for Agriculture and Environment (CLM), commissioned by EEB-member Stichting Natuur en Milieu) of which you find a copy enclosed. The report investigates five options, among which a zero-% VAT level for organic produce, which would reduce consumer prices and thus single-handedly increase demand by an estimated 10%. This would entail an extra area of 300,000 ha of organic farming in the EU-15. Other options covered include levies on herbicides and nitrates. If the money generated via such levies were spent on stimulating organic farming, this could enable a large-scale conversion of conventional farms to organic.

The June Council asked the Commission to investigate the possibility of an action plan on organic farming. We are pleased that, subsequently, the services of DG Agriculture have commenced work on such an action plan. Based on the report enclosed, the undersigned organisations are convinced that economic and/or fiscal incentives can help improve the market share of organic produce in the EU. Therefore we urge you to ensure that such incentives become part of the action plan.

A copy of the report "Stimulating organic farming in the EU with economic and fiscal instruments" is enclosed. We would be pleased to further explain our ideas to you or to your services.

Yours sincerely,
Also on behalf of the Association of European Consumers,

John Hontelez
Secretary-General
European Environmental Bureau

CC:Commissioners Wallström and Schreyer