

# ORGANIC FARMING IN THE EU:

## FACTS AND FIGURES

### 1. INTRODUCTION

This note deals **exclusively** with organic farming as covered by Council Regulation (EEC) No 2092/91. In this framework, organic farming is differentiated from other, non-organic, approaches to agricultural production by the application of regulated standards (production rules), certification procedures (compulsory inspection schemes) and a specific labelling scheme, resulting in the existence of a specific market, partially isolated from non-organic foods. This note does not deal with other types of low-input farming, for example, integrated production.

Organic farming itself can be defined as a method of production which puts the highest emphasis on environmental protection and, with regard to livestock production, animal welfare considerations. It avoids or largely reduces the use of synthetic chemical inputs such as fertilisers, pesticides, additives, medicinal products, etc.

In the area of crop production, different practices (also increasingly used in 'conventional' farming) are applied: fertilisation with manure; growing of legumes to bind nitrogen from the air; compost of vegetables or low soluble fertilisers; preventive measures to control pests and diseases such as choice of appropriate species and varieties; rotations; mechanical weed control and the protection of beneficial organisms.

In the area of livestock production, organic farming practices have minimum indoor and outdoor area requirements to permit the animals their natural behaviour. Animals should be fed with organically produced foodstuffs but temporary derogation may be applied. Breeds should be selected taking into account their natural environment and resistance to diseases. Antibiotics and other additives are forbidden in regular foodstuffs as well as the use of hormones and growth promoters. Treatments should be based, as far as possible, on natural medical products; for therapeutic purposes antibiotics and other chemical allopathic treatments may be used but under strict conditions and control. The adequate management of manure to avoid environmental contamination is also a requirement.

For the processing of foodstuffs, only a limited number of additives is authorised, in order to ensure that the specific features addressed during the farming phase are not lost during the processing phase.

Having said this, organic farming also raises a number of questions. Although organic supporters assert that organic farming is superior to other farming

methods in the field of environment and health, this issue remains, in the view of supporters of conventional farming, insufficiently proven by scientific evidence<sup>1</sup>.

With regard to the use of pesticides, it is clear that organic farming cannot, for several crops, survive without the use of certain pesticides, in particular fungicides (certain copper salts) and insecticides (certain products derived from plants and certain products in traps). These products are used in conditions at least as strict as in conventional farming, which means that their safety to human health and the environment has been checked as for any other pesticide in accordance with the provisions of Council Directive 91/414/EEC.

Furthermore, certain other practices are not always seen as beneficial to the environment. For example, some organic farmers keep their fields clear of weeds through frequent mechanical weeding, a method that may damage nesting birds, worms and invertebrates. Mechanical weeding can also provoke soil erosion. On the other hand, organic farms play a part in reducing erosion as they have erosion-friendly crop rotations with more catch crops.

In organic farming, much emphasis is placed on the use of manure, with a limitation, however, of 170 kg N/year/ha. The use of manure means beneficial levels of earthworms in organic fields. It is not clear to what extent the problems, which have been reported with regard to the use of manure, including possible effects on human health, are also significant at these limited levels of manure use.

Proponents of organic farming assert that better plants are produced from minerals derived from manure breakdown, so that organic food is superior and improves human health. Hundreds of rigorous tests seem to have failed<sup>2</sup> to reveal better-tasting properties or improved nutritional value. This has been recognised in EU Regulation (EEC) No 2092/91 which clearly states that the EU logo may not be associated with claims that this logo constitutes the guarantee of a superior organoleptic or nutritional quality. This Regulation also provides that organic products must satisfy all the requirements (safety or otherwise) of the corresponding conventional products.

Moreover, in comparison with conventional farming, more cases of salmonella in eggs, poultry and pigmeat have been registered; cannibalism by laying hens and higher death rates are also a problem.

Proponents of conventional farming claim that products from organic farming may pose a higher risk due to the presence of mycotoxins, including aflatoxin. This has not however been confirmed in a literature review carried out in the year 2000 by the Food and Agriculture Organisation of the UN<sup>3</sup>.

---

<sup>1</sup> For example: A. TREWAVAS, *Nature* 410, 409-410, March 2001.

<sup>2</sup> An article published in *Nature* on 19.04.2001 (410, 926-930) produced some interesting results on apples. Organic apples had the same yields as conventional but organic were sweeter and less tart. Moreover, they ranked above conventional apples for environmental and economic sustainability.

<sup>3</sup> Document ERC007, discussed at the 22<sup>nd</sup> FAO regional conference, Porto, 24-28.07.2000.

Finally, although organic beef production never uses bonemeal, it is not totally safe from the risk of BSE. A case of BSE was discovered in March 2001 in an organic farm located in Jura (France). The cow had in fact been bought in a conventional holding.

It seems true that the occurrence of BSE and other problems (dioxin, sludges, etc.) in EU Member States has given rise to a ‘certain myth’ that organic farming would necessarily provide higher standards in consumer protection. This may be due to the particular efforts the organic sector has been making in the last few years in its communication with the consumer. While it remains for the consumer and producers (and hence for markets) to determine the further development of the respective shares of production, it must be ensured that public opinion concerning the guarantee of consumer protection by organic production methods does not prejudice the assessment of the quality or safety of conventional production. Organic production is only part of total agricultural production and should not therefore be seen as a substitute for horizontal consumer protection and quality policies and regulations in agriculture.

## **2. STATISTICAL ANALYSIS OF ORGANIC FARMING IN THE EU**

### **2.1. Statistical sources**

The data mentioned in this chapter originate from different sources. The different Eurostat databases do not contain organic figures. DG Agriculture has on several occasions asked Eurostat to collect such figures, at least in the context of the Farm Structural Survey (FSS). For the general agricultural census of the year 2000, it was agreed to collect relevant organic data and it will therefore be possible to compare the structure of organic holdings with conventional ones by the year 2002. Member States will also collect these data in the intermediate surveys of 2003, 2005 and 2007. In February 2001, Eurostat published a ‘Statistics in Focus’ on organic farming<sup>4</sup>. However, this short publication refers to older data than those mentioned in this document. The statistical information for the Eurostat publication is based on information submitted by Member States to the Commission as requested in Council Regulation (EEC) No 2092/91.

---

<sup>4</sup> Jakob Hansen, *Organic Farming, Statistics in focus*, Environment and Energy, Theme 8 – 5/2001.

The building of a coherent database was one of the tasks of a FAIR<sup>5</sup> research project<sup>6</sup> and the results of this project have been used as one of the main sources of this document. Other sources used are:

- *Organic Agriculture Worldwide 2001: Statistics and Future Prospects*, Helga Willer and Minou Yussefi, SÖL (Foundation Ecology and Agriculture), 2001.
- *Organic Food and Beverages: World supply and major European Markets*, International Trade Centre (ITC), Geneva, 1999.
- *Organic Farming in Europe – Country Reports*, [http://207.254.125.150/country\\_reports/default.asp](http://207.254.125.150/country_reports/default.asp).
- *Factors affecting international demand and trade in organic food products*, Luanne Lohr, Department of Agriculture and Applied Economics, University of Georgia, revised February 2001.

NB: The comparison with overall agriculture is carried out for EU-15 and EU Member States based on Eurostat figures.

The FAO has now started to collect data on organic agriculture among its members.

## **2.2. Areas, crops and livestock**

### *2.2.1. Organic areas*

Organic agriculture is practised in almost all countries of the world, and its share of agricultural land and farms is increasing everywhere. In 1999, organic world land area was estimated at approximately 15.8 million hectares. With 3.8 million ha of organic land, the EU-15 rank in second position behind Oceania<sup>7</sup> (7.6 million ha) and before Latin America<sup>8</sup> (3.2 million ha), North America (1.1 million ha), Asia (0.05 million ha) and Africa (0.02 million ha).

---

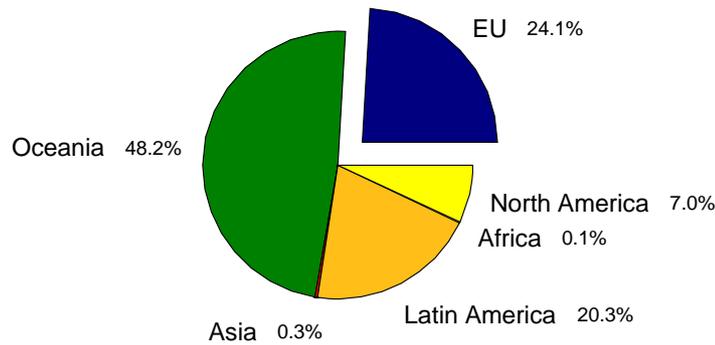
<sup>5</sup> Specific programme for research, technological development and demonstration, in the field of agriculture and fisheries (including agro-industry, food technologies, forestry, aquaculture and rural development)(1994-1998).

<sup>6</sup> FAIR3-CT96-1794 task 2.1, Organic and in-conversion land area, holdings, livestock and crop production in Europe by Carolyn Foster and Nicolas Lampkin, University of Wales, October 2000.

<sup>7</sup> Almost only Australia. Most of the Australian organic area (1.6 % of UAA) is pastoral land for low-intensity grazing. Therefore 1 organic ha in Australia should not be compared to 1 organic ha in Denmark, for example, due to its level of productivity.

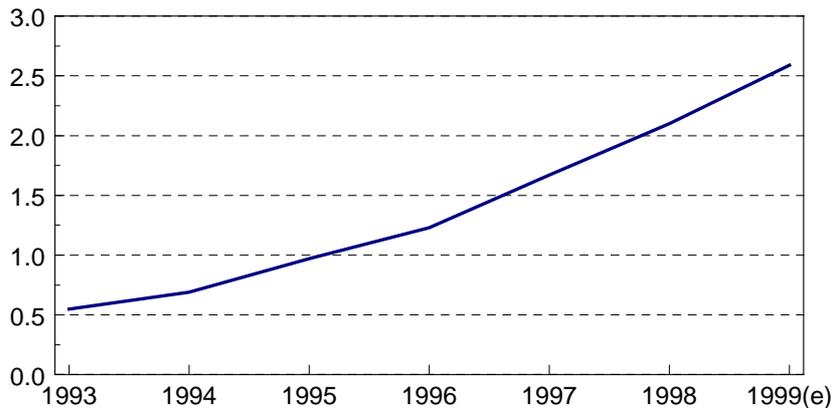
<sup>8</sup> Almost exclusively Argentina (3.0 million ha or 1.8 % of utilised agricultural area).

### World organic land area (1998)



At EU-15 level, certified organic and in-conversion area increased from 0.7 million hectares in 1993 to 3.3 million hectares in 1999, which means that in 1999, 2.6 % of the utilised agricultural area is estimated to be grown under organic conditions. Projections for 2000 show a further increase of the organic area of 0.5 million ha to 3.8 million ha, or 3 % of UAA.

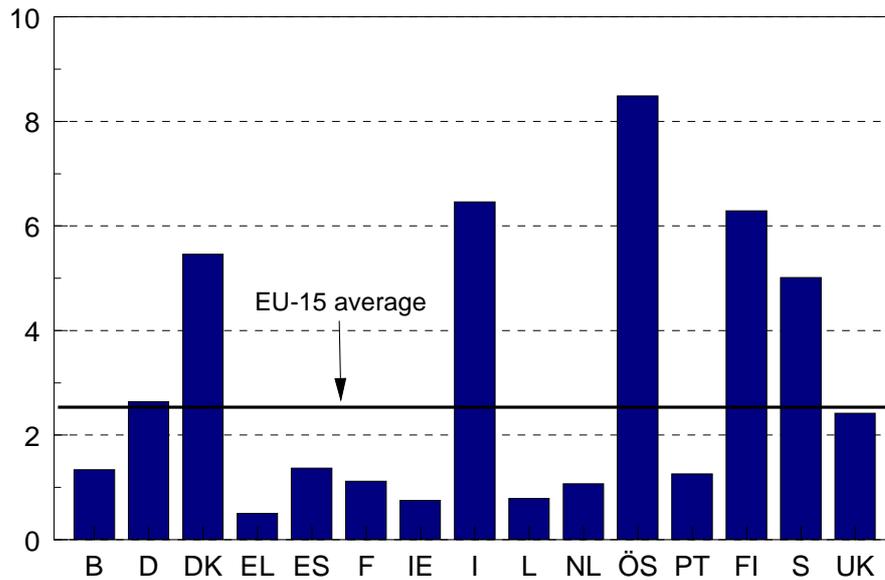
**Figure 1 : EU-15 organic and in-conversion land area % UAA**



In 1999, in absolute value, Italy<sup>9</sup> had the largest organic area with nearly 1 million ha, followed by Germany with 0.45 million ha, the United Kingdom (0.4 million ha), Spain (0.35 million ha) and Austria (0.3 million ha). In the same year, six Member States were above the EU average, i.e. Austria 8.5 %, Italy 6.5 %, Finland 6.3 %, Denmark 5.5 %, Sweden 5 %, and Germany 2.6 %. The same Member States were also already above the EU average (0.55 %) in 1993 but the ranking was different: Austria (4 %), Germany (1.4 %), Sweden (1.2 %), Finland (0.9 %), Denmark (0.8 %) and Italy (0.6 %). The increase is quite impressive for Italy.

<sup>9</sup> Two regions, Sicily and Sardinia account for ± 50 % of the whole of Italy.

**Share of organic and in-conversion land area as % of 1999 UAA  
%**



In comparison with 1998, the biggest increases in 1999 occurred in Denmark (+1.8 %), Italy (+1.2 %), Sweden (+0.9 %) and the United Kingdom (+0.7 %).

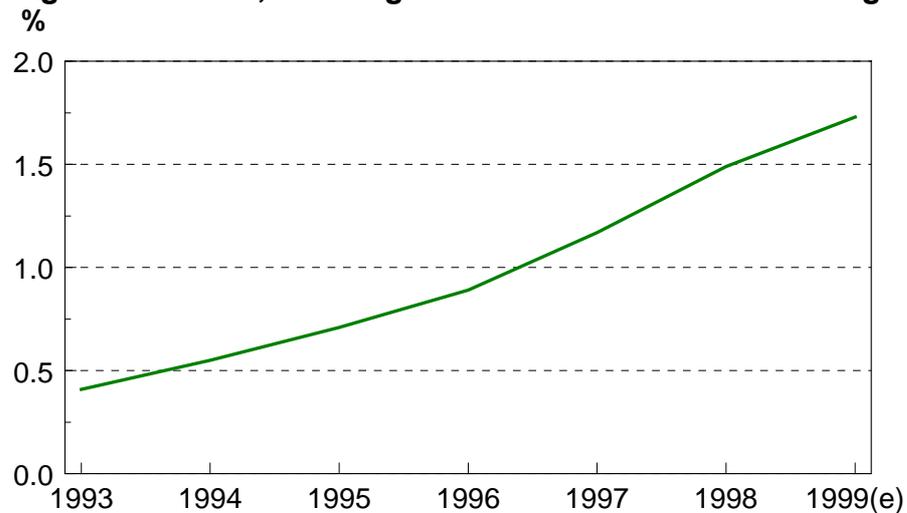
In the CEECs, only the Czech Republic and Slovakia have a share of organic area above 1 % of UAA: 3.2 % and 2.5 % respectively.

*2.2.2. Organic holdings*

At EU-15 level, certified organic and in-conversion holdings increased from 29 000 in 1993 to more than 120 000 in 1999, which means that in 1999, 1.7 % of holdings were organic. Projections for 2000 show a further increase of 10 000 to 130 000, or 1.9 % of total holdings.

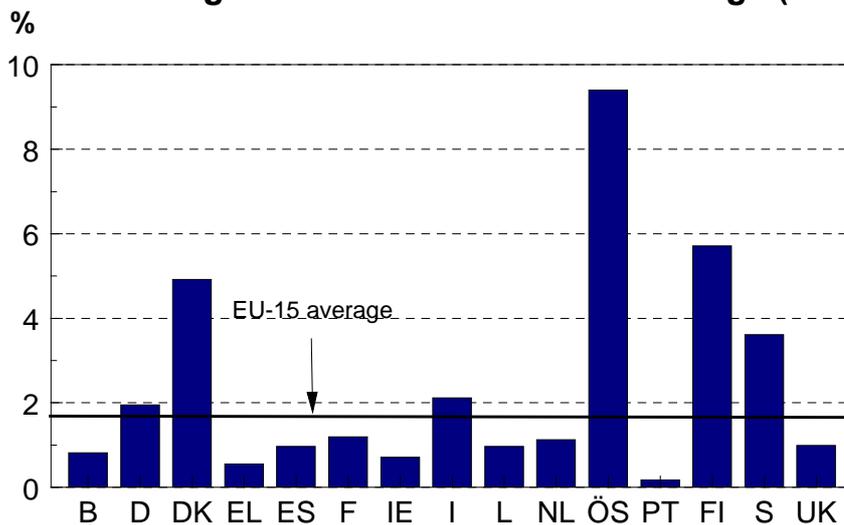
On average, organic holdings have a larger utilised agricultural area per holding, i.e., 27 hectares against 18 hectares. The organic holdings are particularly large compared to the average holding in Portugal (five times larger), Ireland (2.5 times larger) and Italy (twice larger). However, in the Member States with the most important share of organic holdings, e.g. Austria, Finland, Sweden and Denmark, the difference is negligible.

**Figure 3 : EU-15, % of organic and in-conversion holdings**



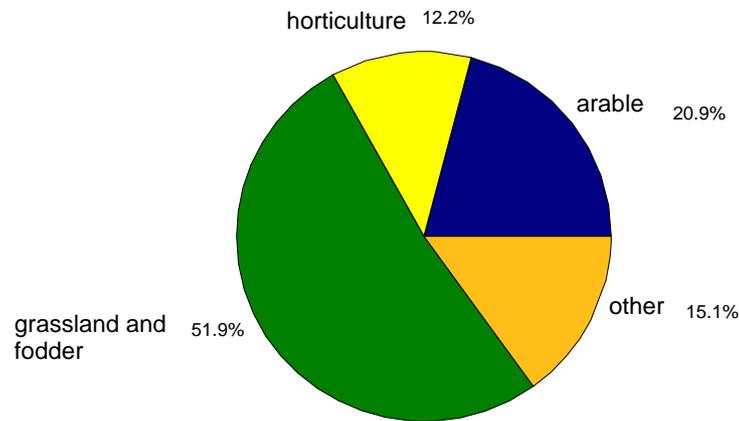
In 1999, in absolute value, Italy had the largest number of organic holdings: 50 000 (40 %) of EU-15 total, followed by Austria with 20 000, Spain (12 000) and Germany (10 000). In 1999, six Member States were above the EU average, i.e. Austria 9.4 %; Finland 5.7 %; Denmark 4.9 %; Sweden 3.6 %; Italy 2.1 % and Germany 2 %. More or less the same Member States were also already above the EU average (0.41 %) in 1993, but the ranking was different: Austria (4.6 %); Finland (1.8 %); Sweden (1.7 %); Denmark (1 %); Germany (1 %) and France (0.5%). The increase is quite impressive for Denmark (+3.9 %) and Italy (+2 %).

**Share of organic and in-conversion holdings (1999)**

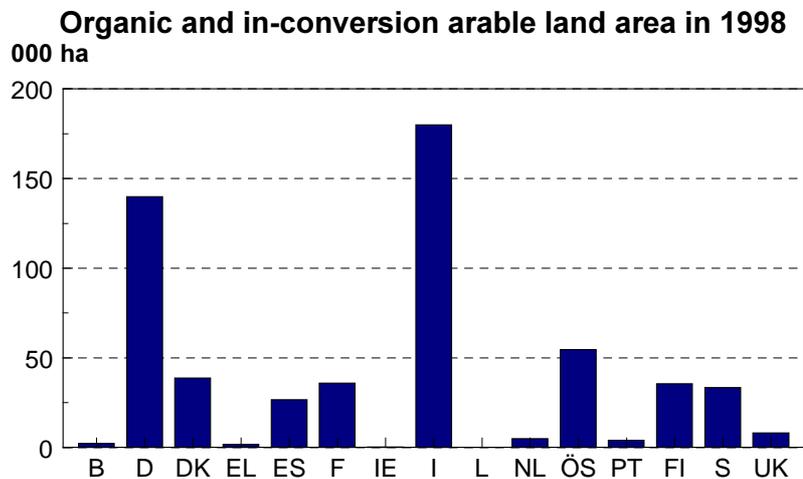


### 2.2.3. Breakdown of area by crop type

In 1998 (the last year for which data are available for all EU-15 Member States) certified organic and in-conversion area accounted for 2.7 million ha, with 1.4 million ha of grassland and fodder crops, 0.57 million ha of arable crops and 0.33 million ha under horticulture<sup>10</sup>.

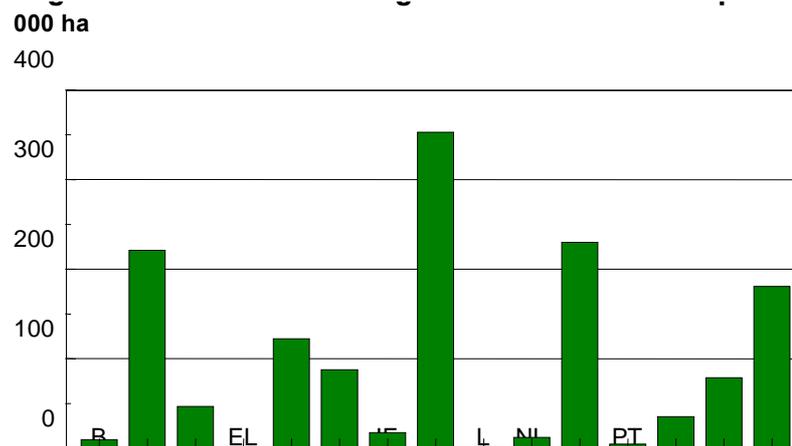


Of the 0.57 million ha of organic arable crops, 0.18 million ha are located in Italy, 0.14 million ha in Germany and 0.06 million ha in Austria. Cereals represented 83 % of organic arable area, oilseeds and pulses 7 % each and root crops approximately 2 %.

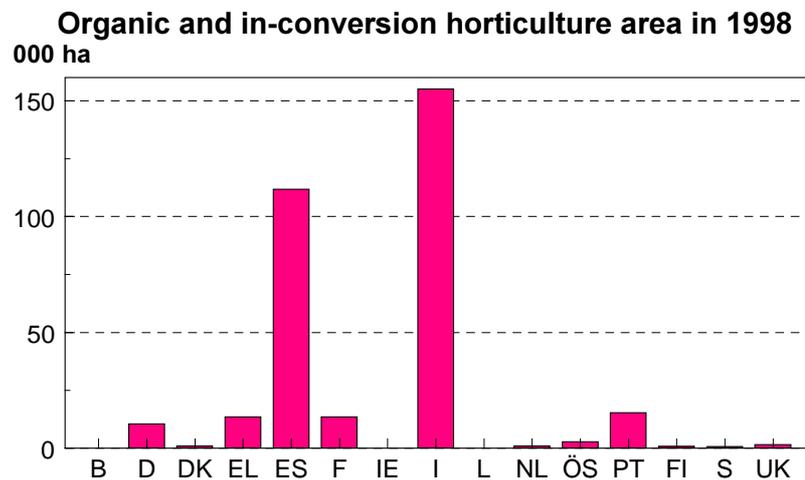


Of the 1.4 million ha of organic grassland and fodder crops, 0.35 million ha are located in Italy, 0.23 million ha in Austria, 0.22 million ha in Germany and 0.18 ha in the United Kingdom.

<sup>10</sup> The remaining 0.4 million hectares are unallocated adjustment figures which may include other crops, in-conversion land (e.g. France) or crops where regions/certification bodies are not included in the main categories due to lack of data (e.g. Germany, the United Kingdom).



Of the 0.33 million hectares of organic horticultural crops (mainly fruits >85 % of total), 0.16 million ha are located in Italy and 0.11 million ha in Spain.

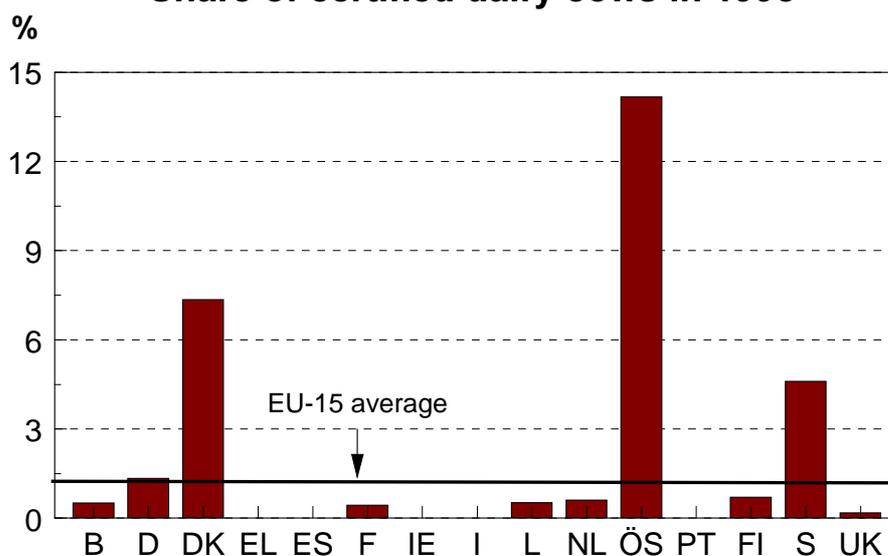


#### 2.2.4. Organic livestock

In 1998 (the last year for which data are available for all EU-15 Member States), EU-15<sup>11</sup> certified **dairy cows** amounted to 280 thousands heads or 1.3 % of total dairy herd. However, only three Member States had a significant share of certified animals, Austria (14.2 %), Denmark (7.4 %) and Sweden (4.6 %). Only a few figures are available for previous years but, for example, Denmark rose from 8 272 certified dairy cows in 1993 to 50 000 in 1998, the Netherlands from 4 034 in 1994 to 9 541 in 1998.

<sup>11</sup> No data available for Spain, Ireland, Italy or Portugal.

## Share of certified dairy cows in 1998

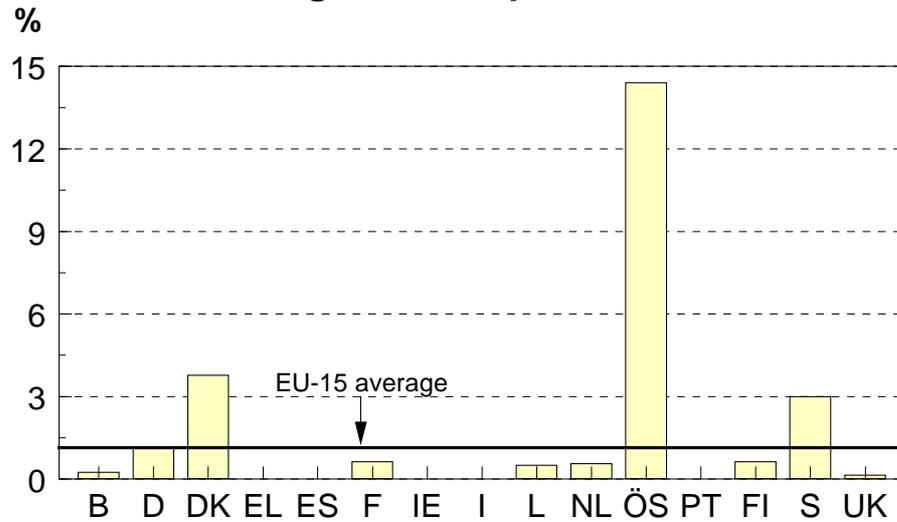


For the same year, total certified **milk** production<sup>12</sup> amounted to 1.1 million tonnes or 1.2 % of milk deliveries. As with dairy cows, only three Member States had an important share of organic milk production: Austria (14.4 %) followed by Denmark (3.8 %) and Sweden (3.0 %). For 1999, the Danish Organic Service Centre recorded a share of organic marketed milk of 22 %, butter of 3 % and cheese of 2 %. However, due to lack of demand and only very limited exports, some organic Danish milk has to be sold as conventional milk<sup>13</sup>. As with the dairy cow sector, few figures are available for previous years but, for example, Danish organic milk production rose from 33 thousands tons in 1993 to 169 thousands tons in 1998.

<sup>12</sup> Same Member States missing as for dairy cows.

<sup>13</sup> An article published in the Danish newspaper *Landsbladet* on 18.05.2001 mentioned that 39 % of organic milk is sold as conventional.

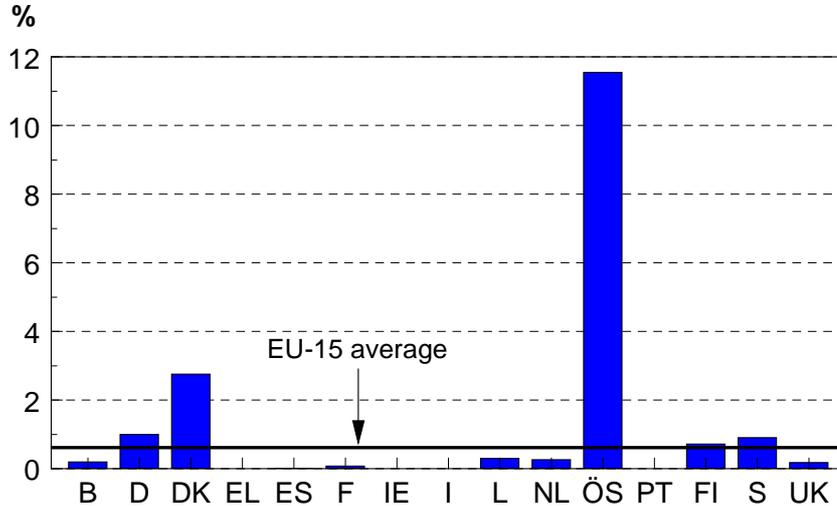
## Share of organic milk production in 1998



For DK, it is an estimate. Other sources give higher estimate.  
In 1999 market share of organic food (milk 22%, butter 3%, cheese 2%)

In 1998, the EU-15<sup>14</sup> certified **other cattle** (mainly suckler cows) amounted to more than half a million heads, or 0.65 % of the total herd. However, only one Member State had a significant share of certified animals: Austria (11.6 %) followed by Denmark (2.8 %) and Germany (1 %).

## Share of certified other cattle in 1998



In 1998, EU-15<sup>15</sup> certified **pigs** amounted to 230 000 or 0.2 % of total pig herd. Only four Member States had a share of certified animals above the EU average: Austria (1.1 %); Sweden (0.9 %); Denmark and Finland (0.7 %) and Luxembourg (0.5 %). The numbers of certified pigs are low but increases are seen between 1993 and 1998, for example in Denmark from 8 000 to 83 000, in Germany from 10 000 to 50 000, in the Netherlands

<sup>14</sup> No data for Ireland, Italy and Portugal.

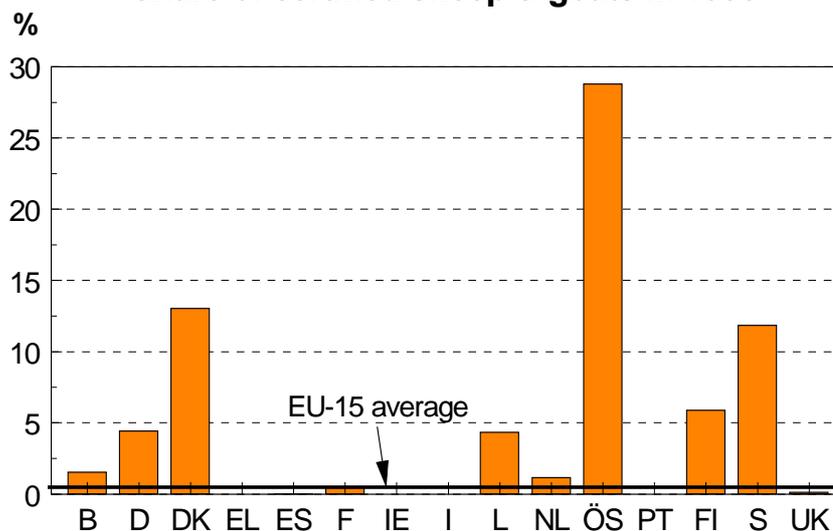
<sup>15</sup> No data for Ireland, Italy and Portugal.

from 2 500 to 5 500 and in the United Kingdom from 2 000 to 9 000. The relative slow development may be linked with higher production costs in organic pigmeat production, which few consumers are willing to pay.

In 1998, EU-15<sup>16</sup> certified **poultry** number amounted to more than 7 million of the total, France ranking first with 4.6 million. Only four Member States had a significant share of certified poultry, Austria (0.7 %), France and Denmark (0.5 %) and Sweden (0.4 %).

In 1998, EU-15<sup>17</sup> certified **sheep and goats** amounted to 0.4 million heads or 0.4 % of total herd. This low average share is due to the very low share of Spain (<0.001 %) and the lack of data for Ireland and Italy. Of the 360 000 certified sheep, 29 % are located in Austria, 27 % in Denmark and 14 % in Sweden. Of the 50 000 certified goats, 34 % are located in Austria, 23 % in Sweden and 20 % in Denmark. Four Member States had a share of certified sheep **and** goats above 5 %, Austria (29 %), Denmark (13 %), Sweden (12 %) and Finland (6 %). Contrary to other animals, the share of certified sheep **and** goats increased only slightly over time.

**Share of certified sheep & goats in 1998**



### 2.3. Marketing of organic products

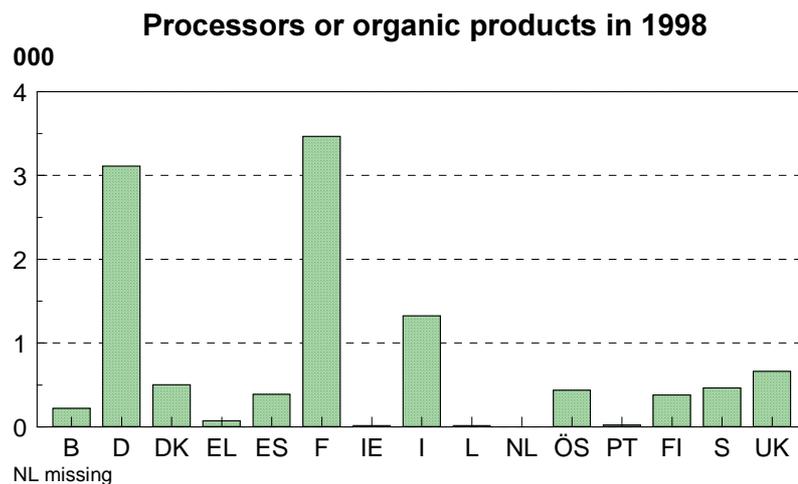
#### 2.3.1. Processors of organic products

In 1998, the EU<sup>18</sup> total number of registered processors was above 11 000 which represents an increase of 50 % in comparison with 1997. The range of processors is wide, from small family-run bakeries to large companies who also ensure that organic production in non-EU countries following EU norms. France, Germany and Italy have the largest number of processors.

<sup>16</sup> No data for Spain, Ireland, Italy and Portugal.

<sup>17</sup> No data for Ireland, Italy and Portugal.

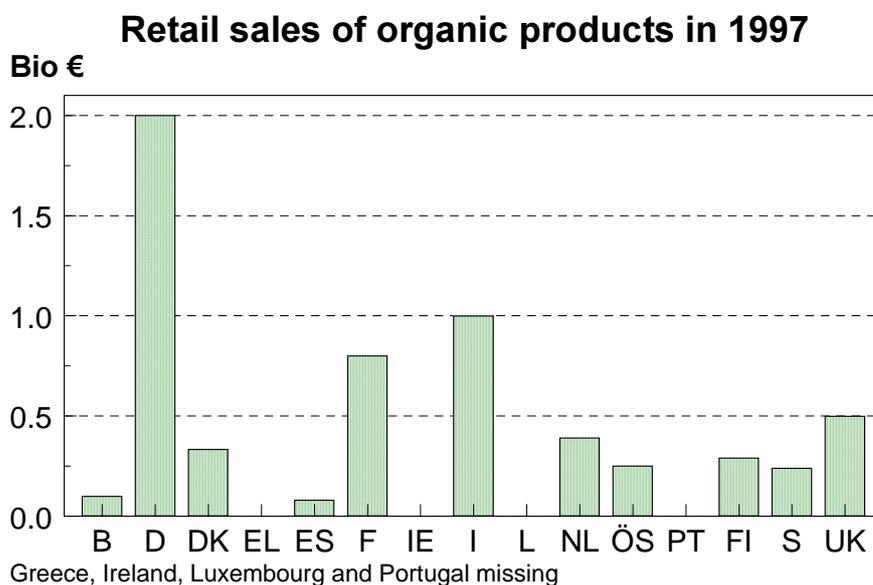
<sup>18</sup> Netherlands missing



In 1998, there were approximately 500 registered importers of organic products.

### 2.3.2. Retail sales of organic products

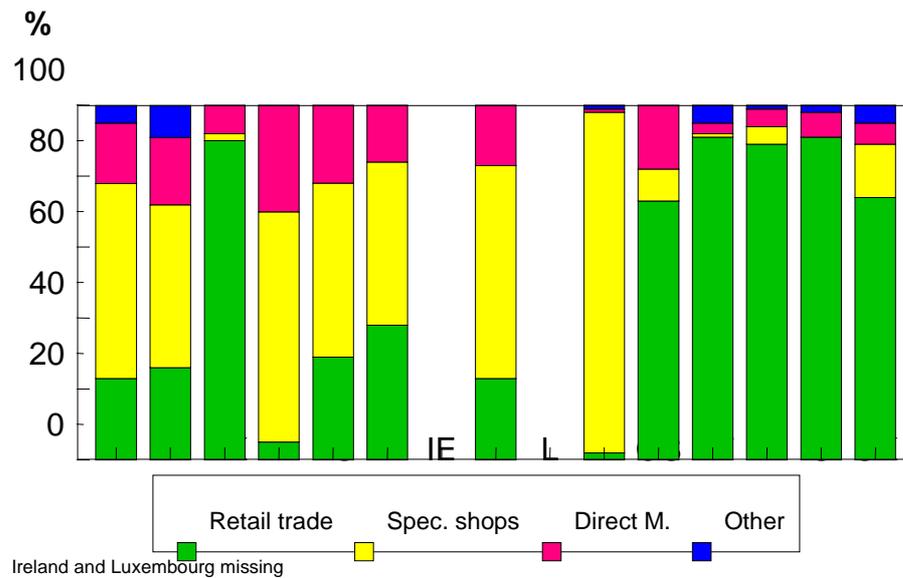
In 1997, the EU<sup>19</sup> market of organic products represented 6 billion euro, Germany being the biggest market in absolute terms (2 billion euro) followed by Italy (1 billion euro) and France (0.8 billion euro). Estimates for 2000 are above 10 billion euro. This 10 billion euro has to be compared with the EU-15 Final Agricultural Production (240 billion euro).



Already in 1997, the share of organic products in food sales was above 1 % in some EU Member States (Denmark, Germany, Netherlands and Austria). For few product groups, it has today reached 5 % of the total market.

<sup>19</sup> Excluding Greece, Ireland, Luxembourg and Portugal.

The importance of individual marketing channels differs between Member States. In Italy, Netherlands, Belgium, Germany, Greece and Spain, direct marketing and marketing via specialised shops dominate the organic sector. In Sweden, Denmark, Finland, the United Kingdom and Austria<sup>20</sup>, most of the sales are concentrated on supermarkets and non-specialised shops. Specialists are convinced that where organic products are mainly sold through supermarkets, growth and market shares are (and will remain) higher than in other Member States.



### 2.3.3. Prices

Only little and partial information is available on prices for organic products. However, as a general rule, it can be said that almost all organic products receive a higher price than conventional products. For some agricultural products, for example milk, the producer prices are linked to conventional prices plus a premium fixed either in absolute value or in percentage. For other products, for example grains, most of the production is contracted in advance with an agreed price. In such cases, it is quite possible that at certain periods of the year the value of organic products is cheaper than conventional ones. For another group of products, for example fruit and vegetables in Sweden, prices fluctuate widely. Generally the price difference is less for processed products.

In the Member States, where most of the sales of organic products are sold via supermarkets, not all organic farming representatives view this as positive. They fear that when organic farmers become suppliers to big corporations, they will lose in the end.

On average, Irish organic farmers receive a premium of 23 % for their organic products. However, in 1998, the Irish average price for organic

<sup>20</sup> In Portugal the retail trade also dominates but the share of organic products is very limited.

beef was 0.8 euro/pound whereas the non-organic beef price was 0.55 euro/pound which means a premium of 45 %.

In France, premiums on organic retail price vary according to distribution channels. The price differential in supermarkets varies between 10 and 50 %, for example for dairy products between 10 and 40 %, around 50 % for fresh fruit and vegetables, and between 5 and 25 % for dry goods.

For Sweden, there are more figures available and the table below summarises them. For the livestock sector with the exception of pigmeat and eggs the premium is small whereas for the crop sector it is always above 50 %.

**Some examples of premiums on producer prices in Sweden (1998)**

Product	Premium in %
Milk	13%
Beef	23%
Pigmeat	95%
Lamb	14%
Eggs	166%
Grain for bread	70%
Grain for feed	70%
Sugar beets	90%
Rapeseed	55%
Potatoes	70%

Source : Jordbruksverket, Mal för ekologisk produktion

Much of the additional costs for organic food that consumers are facing are generated in the distribution and processing network. That has to do with handling of relatively small quantities of products. If more supply becomes available in the next years, there is a great potential for significant economies of scale in the processing and distribution systems. For that reason, the premium paid by the consumer should be able to come down while not affecting to a great extent the premium received by the farmer.

### **3. LEGISLATIVE ASPECTS (= WHAT WE ARE DOING TO PROMOTE ORGANIC FARMING)**

#### **3.1. Harmonisation of the rules (Regulation (EEC) No 2092/91 and (EC) No 1804/99)**

Legislation at Community level dates back to July 1991 when Council Regulation (EEC) No 2092/91 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs was adopted. This Regulation covers mainly four aspects:

- rules concerning production of agricultural products and preparation of foodstuffs;
- labelling of organic agricultural products and foodstuffs;

- inspection requirements;
- equivalence regime for imports from third countries.

Regulation (EEC) No 2092/91 did not include any standards for livestock and for that reason it was supplemented by Regulation (EC) No 1804/1999 to include livestock production. This new Regulation establishes rules of production for the main species: bovine, ovine, caprine, equine and poultry. Rules for other species will be developed later on by a Commission regulation. With regard to feedingstuffs, the Regulation provides that the Commission will develop detailed provisions related to labelling and detailed inspection measures.

As a consequence of this amendment, the following products are now covered by the Regulation:

- a) unprocessed agricultural crop products and processed agricultural crop products intended for human consumption;
- b) livestock and unprocessed livestock products; processed livestock products intended for human consumption (as from entry into force of Regulation (EC) No 1804/1999 on 24 August 2000);
- c) feedingstuffs, compound feedingstuffs and feed materials (as from the entry into force of a Regulation defining precise rules on this particular subject), where such products bear, or are intended to bear, indications referring to organic production methods.

With regard to imports from third countries, there are six countries (Argentina, Australia, the Czech Republic, Hungary, Israel and Switzerland) authorised for export to the European Union and included in a list agreed by a Commission Regulation under Article 11(1) of Regulation (EEC) No 2092/91. There are more than 70 third countries exporting to the European Union through the authorisation implemented by the Member States under Article 11(6) of the Regulation.

The EU logo established by Regulation (EEC) No 331/2000 for organic products is optional (not compulsory) for the operators as an instrument for promoting their products. The logo must remain credible, and therefore a number of conditions must be satisfied for its use. These conditions are established in Article 10 of Regulation (EEC) No 2092/91:

- the products satisfy the production requirements for unprocessed agricultural products and/or for foodstuffs containing at least **95 %** organic ingredients) ;
- the products have been subject to specific inspection arrangements referred to in Article 9 throughout the production and preparation process; the logo cannot be used on products from third countries, as there is no permanent possibility to follow up the inspection in third countries ;
- the products are sold directly by the producer or preparer to the ultimate consumer in sealed packaging, or placed on the market as pre-packaged foodstuffs; in the case of direct sales by the producer or preparer to the

ultimate consumer, the sealed packaging is not required when the labelling enables the product requiring this indication to be identified clearly and unambiguously ;

- the product must show on the labelling the name and/or business name of the producer, preparer or vendor together with the name or code number of the inspection authority or body, and any indication required in accordance with the provisions of the regulations on the labelling of foodstuffs, in accordance with Community legislation.

The logo can also, under certain conditions, be used in publicity for organic products.

### 3.2. Agri-environment and rural development

Organic farming payments are foreseen under the agri-environmental measures, previously Council Regulation (EEC) No 2078/92 and today Council Regulation (EEC) No1257/99.

Organic farming was explicitly mentioned among eligible actions of agri-environment programmes by Article 2 of Regulation No 2078/92 and now covered by Article 23(2) of Regulation No 1257/99:

- *“Subject to positive effects on the environment and the countryside, the scheme may include aid for farmers who undertake:  
(a) to reduce substantially their use of fertilisers and/or plant protection products, or to keep to the reductions already made, or to introduce or continue with **organic farming** methods;”*

The scheme provides for farmers to undertake the measure for a minimum of five years and provides amounts of aid in relation to the area and the type of crop concerned in the undertaking. With the new Regulation, the upper limits of premiums, which are granted on an annual basis, vary from 600 euro/ha for annual crops, to 900 euro/ha for specialised perennial crops and to 450 euro/ha for other land uses and are significantly higher than in Regulation 2078/92<sup>21</sup>. Member States are allowed to exceed these amounts as state aids, provided that the sums paid can be justified in terms of income forgone, the additional costs resulting from the undertaking, and the need to provide an incentive.

With regard to Council Regulation (EEC) No 2078/92, Member States had to prepare programmes and submit them to the Commission. By the end of

---

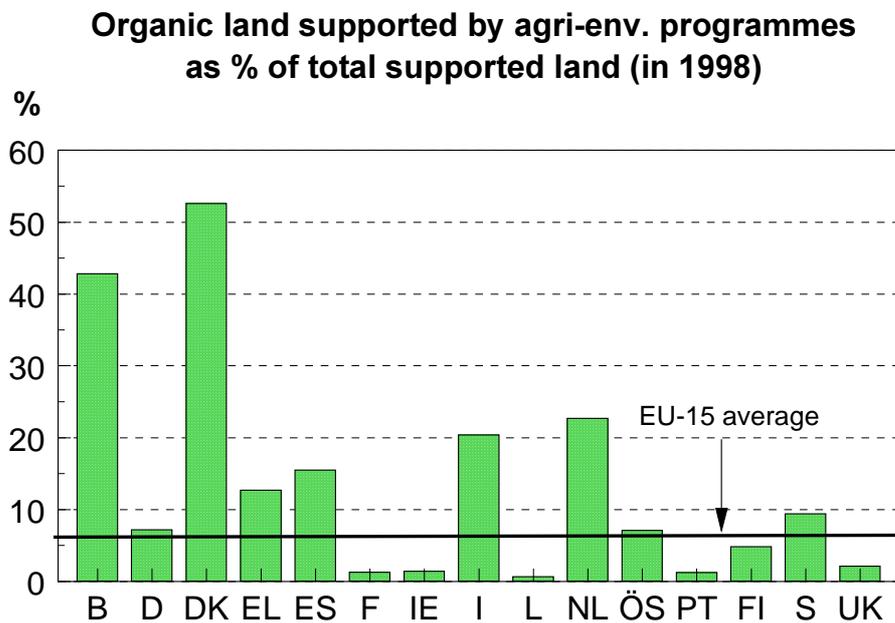
<sup>21</sup> In Regulation No 2078/92, the upper limits of premiums granted on an annual basis varied from 181.1 euro/ha to 301 euro/ha for annual crops, 483 euro/ha for olives and 845.3 euro/ha for perennial crops and vines. In addition, the Regulation set ceilings of :

- 245.0 euro per livestock unit reduced;
- 120.8 euro per livestock unit of an endangered breed reared;
- 301.9 euro per hectare for the upkeep of abandoned land;
- 724.5 euro per hectare of land set-aside;
- 301.9 euro per hectare for the cultivation of plants threatened by genetic erosion.

1995, however, the process of approval was almost completed. For this reason, the majority of organic aid schemes were only fully implemented by Member States from 1996 onwards.

For the EU-15, agri-environment programmes covered 174 000 hectares in 1993 and more than 28 million hectares in 1998 (latest data available). Of this total supported land area, the share of organic or in-conversion land area increased over years from 0.5 % in 1993 to 6.5 % in 1998. However for some Member States, the shares are very high: Denmark (53 %), Belgium (43 %), Netherlands (23 %) and Italy (20 %).

At EU-15 level, in 1998, agri-environment programmes supported **73 % of all organic land area.**



The number of organic and in-conversion holdings supported by agri-environment programmes also increased regularly from 82 in 1993 to more than 85 000 in 1998, which represents more than **88 % of total organic holdings.**