

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** New EU Organic Regulation Entering Into Force in 2021  
Regulatory Update

**Country:** European Union

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**Report Highlights:**

The European Union adopted its updated Organics Regulation in 2018. The Regulation is set to enter into force on January 1st, 2021. This report gives an overview of the main regulatory changes to occur and highlights those that may impact U.S. exporters of organic products. The Agricultural Committee in the European Parliament and other stakeholders within the organic sector have called for the new Regulation to be delayed, citing a need for more time to prepare for the changes that the new Regulation will bring. The European Commission and Member States already held several discussions on a possible delay of the regulation's entry into force but no decision has been made yet.

## **Background Information:**

The current legal framework governing organics in the EU is the [Council Regulation \(EC\) No 834/2007](#). This Regulation outlines the objectives and principles of organic agriculture in the EU, fixes general production rules, and describes the EU's organic production standards, control system and labeling requirements. In Spring 2018, the European Parliament and Council of the European Union—representing the Member States, formally adopted the text of the new EU Regulation on Organic Production and Labeling of Organic Products ([Regulation \(EU\) 2018/848](#)).

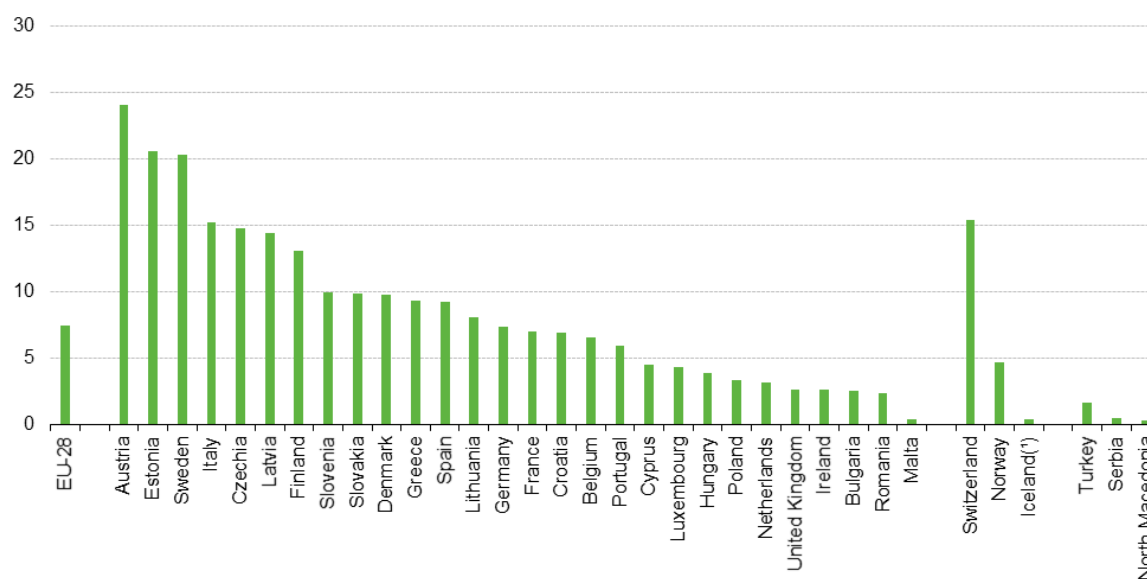
The adoption of the new Regulation came after a four-year legislative process and intense negotiations among the European institutions. Indeed, several Member States voiced skepticism on the need for a new Organic Regulation, given that the existing regulation had been operational for less than ten years. However, for many legislators, it was time to update the rules governing organics in the EU. With the regulation's entry into force seven months away, the Agricultural Committee in the European Parliament sent a letter to Janusz Wojciechowski, Commissioner for Agriculture and Rural Development in May 2020 asking for a one-year postponement of the application of the new Organic Regulation. Parliamentarians stated that, given the COVID-19 crisis and its impact on EU agriculture, a postponement is needed to ensure a smooth transition and allow organic operators, control bodies and competent authorities to get properly ready. Other stakeholders within the organic sector have also called for the new Regulation to be delayed, citing a need for more time to prepare for the changes that new Regulation will bring. The European Commission and Member States already held several discussions on this topic in June and July 2020 during meetings of Committee on Organic Production.<sup>1</sup> A final decision is set to be taken in the fall.

As is the case for many top global agricultural producers, EU organic farmland has more than doubled in the last decade. Each year 500,000 hectares of land are converted into organic production. Organic farming covered 13.4 million hectares of agricultural land in the EU-28<sup>2</sup> in 2018. This corresponds to 7.5 percent of the total utilized agricultural area of the EU-28. Pastures and meadows (mostly used for grazing organic livestock) account for 44 percent of EU organic agricultural land, permanent crops represented 11 percent of organic production and the rest in arable crops.

In some of the smaller agricultural producing Member States in the EU such as Austria, Estonia or Sweden, the organic share climbs above 20 percent of the total agricultural land. For EU top agricultural producers, organic production is between 7 and 15 percent: Italy is at 15.2 percent, Spain at 9.3 percent, Germany at 7.3 percent and France at 7 percent.

## Share of total organic area (fully converted and under conversion) in total utilised agricultural area (UAA), by country, 2018

(%)



Note: Preliminary data for EU-28, Belgium, Bulgaria, Cyprus, Latvia, Netherlands and Romania

Note: Estimated data for Italy and Norway

(\*) Data refers to 2017

Source: Eurostat (online data code: org\_cropar)

eurostat 

Consumption of organic products in the EU has also rapidly increased in recent years. In 2017, the global organic food and drink market reached UD 108 billion. The United States accounts for 47 percent of the global market, followed by the EU, with 37 percent. Over the last ten years, the EU market doubled its size and it continues growing at a significant pace (11 percent in 2017 compared to 2016).<sup>3</sup>

### Regulatory requirements under Regulation 2018/848

The new Organic Regulation introduces regulatory changes both for production of organic products in the European Union and for imports of organics. In this report, we will focus on rules that may impact imports of organic food into the European Union.

- **Scope**

The scope of the organic rules is enlarged to cover a wider list of products than the previous legislation. New products include: salt, cork, beeswax, maté, vine leaves, essential oils and palm hearts. The full list can be found in Annex I of the Regulation. It also lists additional production rules for livestock farming for deer, rabbits and poultry.

- **Labeling**

There are no significant changes to the labeling rules with the 2018 Regulation. Below are the main requirements. The term “organic” and all its derivatives or diminutives such as “bio” and “eco” may be used only to label products that comply with EU organic production rules and if at least 95 percent of the ingredients of agricultural origin are organic. For products containing less than 95 percent organic ingredients, the term “organic” may be used only to indicate individual organic ingredients in the list of ingredients. When reference is made to the organic production method in the ingredients list, the total percentage of organic ingredients must be indicated. Products containing GMOs or produced with GMOs cannot be labeled as organic.



The use of the EU organic logo is mandatory on all pre-packaged organic products produced in the EU. Organic products imported from non-EU countries may carry the EU organic logo if they comply with the EU production rules. When the EU organic logo appears on the label, the indication of the place of farming is required. This indication may be classified as ‘non-EU Agriculture,’ where the agricultural raw material has been farmed outside of the EU. However, ‘non-EU’ may be replaced or supplemented by the name of a country, or by the name of a country if all of the agricultural raw materials of which the product is composed have been farmed in that country.

- **Food production**

The 2018 Organic Regulation introduces stricter rules for the use of natural flavoring in organic food preparations. Today, all-natural flavorings are allowed. Under Regulation 2018/848, only natural flavorings originating from the mentioned ingredients can be used in organic processing. For example, only ‘natural strawberry flavoring’ will be allowed, which means that the flavoring must be at least 95 percent obtained from strawberries. In this case, strawberry extracts will be allowed. Under the new Organic Regulation, flavorings will be regarded as agricultural ingredients. This means that the maximum permissible amount of conventional flavorings in an organic product, together with all other non-organic ingredients, shall not exceed 5 percent of the total agricultural ingredients.

Regulation 2018/848 also seeks to limit the use of additives and processing aids to produce food and feed. Only certain products and substances are authorized for use in the production of processed organic food and feed, alongside yeast. The list of products and substances that may be used in the production of organic processed products is listed in Part IV of Annex II of the Regulation. The Commission is empowered by the Regulation to amend this list through delegated acts.<sup>4</sup>

- **Specific rules for imported organic products**

With Regulation 2018/848, the principle of equivalence is replaced by the requirement of strict conformity with EU rules for organic imports from non-EU countries.

- *Countries with an Equivalence Agreement*

This means that for countries with an Equivalence Agreement with the EU, these agreements will need to be changed. Under equivalency agreements, the EU and parties to these agreements recognize each other's standards and control measures as equivalent. These countries are:

- Argentina
- Australia
- Canada
- Chile\*
- Costa Rica
- India
- Israel
- Japan
- Tunisia
- Republic of Korea
- New Zealand
- Switzerland
- United States of America

The EU and the United States signed the [EU-U.S. Organic Equivalency Arrangement](https://www.usda-eu.org/trade-with-the-eu/trade-agreements/us-eu-organic-arrangement/) in 2012. Under the Arrangement, the EU recognizes the USDA National Organic Program (NOP) as equivalent to the EU Organic Program (under applicable EU regulations) and allows U.S. organic products to be marketed as “organic” in the EU using the EU organic logo. The Arrangement is limited to organic products of U.S. origin, either produced within the U.S. or where the final processing or packaging occurs within the United States. More information can be found here: <https://www.usda-eu.org/trade-with-the-eu/trade-agreements/us-eu-organic-arrangement/>

Under the new EU Regulation on Organics, the Equivalency Arrangements will expire on December 31, 2025. To avoid trade disruptions, all non-EU countries- including the United States- that are currently recognized as equivalent may renegotiate the terms and sign a Trade Agreement with the EU. Trade Agreements will aim to recognize that the non-EU country has a “system of production meeting the same objectives and principles by applying rules which ensure the same level of assurance of conformity as those of the Union.” As of August 2020, \*Chile is the only country that has signed an [Agreement with the EU on trade in organic products](#).

It may be a tall order for the EU to negotiate and complete trade agreements on organics with all these trading partners prior to 2025. In Spring 2020, several EU policy makers and organic stakeholders made the case for delaying the Regulation's entry into force, but it is unclear whether the European Commission or the Member States have an appetite for this and what that delay would mean for the EU's trading partners.

### **Box 1: How does the EU negotiate and approve trade agreements?**

1. The European Commission submits a proposal to the Council of Ministers to negotiate an international agreement.
2. The Council of Ministers draws up guidelines for the negotiations to be conducted.
3. Once the negotiations with the other party are well underway, the Commission prepares a provisional agreement.
4. The Council of Ministers then may decide to authorize the negotiator to sign the provisional agreement on behalf of the EU.
5. The text of the agreements is then sent to the European Parliament for approval.

(Both the Council and the Parliament can only approve or disapprove of a proposal, they cannot amend it)

In recent years, the European Parliament has been more and more critical towards trade agreements, citing social and environmental factors. With the publication of the Farm to Fork Strategy,<sup>5</sup> the European Commission also highlighted sustainable agriculture as one of its main priorities. This policy environment may lead to a complex and lengthy approval process for future agreements on trade in organic products. For instance, during the approval process of the EU-Chile agreement, some members of Parliament rejected the agreement. According to them, organic products should be sustainable from the point of view of resources and organic products imported to the EU by plane or by ship have a higher carbon footprint compared to local production for local consumption.

#### **o *Other countries without a Trade Agreement in place***

After 2025, for countries that do not have a Trade Agreement with the EU covering organic trade, Regulation 2018/848 foresees other rules. To be exported to the EU, a product will need to comply with all production rules defined in Regulation 2018/848 and will have to be subject to controls by control authorities or control bodies recognized by the European Commission. The Commission will establish a list of recognized control bodies/authorities that will be authorized to perform controls and certification in non-EU countries.

Some flexibility will be allowed for the use of plant protection products and fertilizers traditionally used in non-EU countries. Indeed, the Commission may grant specific authorizations for the use of products and substances in non-EU countries “taking into account differences in the ecological balance in plant or animal production, specific climatic conditions, traditions and local conditions in those areas.” Such specific authorizations may be granted for a renewable period of two years.

**Attachments:**

No Attachments.