



Government Commitments to Support Organic Agriculture: a global overview

Pacific Organic Policy Toolkit
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The Global Landscape of Supportive Policies for Organic Agriculture

Worldwide there are a high number of supportive government policies and programs for organic agriculture both in highly developed countries and in developing countries, including some on the U.N. list of those least developed. The nature and degree of investment does not appear to be strongly correlated with whether a country is highly developed or least developed. Other factors also bear upon the policy landscape, such as the system of government and its political philosophy, national goals and objectives, relationship between governments and their constituent groups, and in the case of developing countries, the programmatic agenda of external development agencies operating in their countries. There are some highly developed countries, such as Australia, in which there is virtually no special policy support for organic farming, largely due to the dominance of its free-market, “small government” political approach to policymaking. In contrast, notable policy support for organic farming and market development is evident in Tunisia and Lao, and motivated by opportunity to access high value export markets. In the Philippines, another country with a comprehensive organic support program, rural development has been a strong policy motivator. In the Republic of Korea organic policy support, especially at the local level, is surging due largely to the growing political influence of Korea’s organic farmers.

Differing Policies and Their Outcomes: the United States and European Union

Government policy regarding organic agriculture can differ markedly, as illustrated by the cases of the United States and European Union. The EU has a general policy to subsidize farmers. In addition, the EU actively promotes organic sector growth via conversion subsidies and additional direct payments to organic farmers. The economic rationale for these additional “green” payments to organic production is that it provides benefits that accrue to society and that individual farmers do not consider these social benefits when making production decisions. In such cases, offering subsidies alters production practices by more closely aligning each farmer’s private costs and benefits with social costs and benefits. Subsidies, in the form of per-hectare area payments, are paid to compensate for additional costs and/ or foregone income of operating organic farming systems. The subsidies are aligned with the goals and objectives of EU’s Common Agricultural Policy (CAP), which over time have moved in the direction of the principles and objectives of organic farming. Research has shown that these subsidies and other government supports matter – a lot. In Europe the sector has developed within the framework of government intervention. In contrast the US has historically taken a free-market approach, offering the organic sector a few policies and programs that focus on facilitating

organic market development such as building recognition of the “USDA Organic” brand and export facilitation services (the US National Organic Program is part of the USDA Agricultural Marketing Service). Until recently some of the USDA general support policies, which should be available to all American farmers, were actually antagonistic to organic farmers. For example, the terms for crop insurance applications and benefits virtually excluded organic farmers from the program. As a result of the different policy approaches, the EU has proportionally far more certified organic farmland, farms and farmers than does the US.

On the market side, consumer demand for organic products and organic markets have robustly grown at comparable rates in the US and EU for more than two decades. At times there have been oversupplies of some organic products in some EU countries resulting in destabilizing price fluctuations and market constraints, for example in milk. By contrast, the US organic market has regularly been supply-constrained for many organic products and ingredients due to low rates of growth for domestic organic production. Organic milk consistently sells at retail for 130-180% of the price of conventional milk. USDA policy is now evolving to address this domestic supply imbalance as well as opportunities to achieve USDA goals in rural development and natural resource conservation. Programs have been initiated to increase organic farmers’ access to financial and technical supports, mostly within the framework of general agricultural policy and programs. There has also been a sharp increase in financial allocations for federally funded research on organic production methods. A policy guidance issued in 2013 by the US Secretary of Agriculture directs all USDA departments to give certain considerations to organic agriculture in program development. However, general subsidies have not changed. The major USDA farm subsidy program, highly focused on a small group of commodities, remains unfavourable for most organic farmers. In this respect, a large gap persists in policy support to EU and US organic farmers.

Support Policy Frameworks

Comprehensive Organic Support Strategies, Plans, and Programs

Almost all countries in Europe (EU member states, those strongly tied to EU e.g. Switzerland, and EU Candidate countries) have a comprehensive organic action plan, which is requested in the EU Common Agricultural Policy. This accounts for more than 35 such national plans.

Organic Action Plans and/or National Organic Programs are also in place in the following countries

- Bhutan
- Brazil
- Costa Rica
- Canada, Province of Quebec
- Cuba



- India (National Program for Organic Farming and Action Plans in 9 States)
- Indonesia
- Kyrgystan
- Paraguay
- Peru
- Philippines (National Organic Agriculture Program)
- Tunisia
- Turkey
- Vietnam (MARD Organic Agriculture Development Program)

Organic Agriculture as a significant part of comprehensive “Green” Agricultural Plans

- Republic of Korea (Environmental-Friendly Farming plan)
- China (Green Food Development Program)
- Nepal (in Agriculture Development Strategy 2015)

Elevated support for organic agriculture in general agricultural policy frameworks

- Canada (Organic Supply Chain Roundtable)
- Sweden
- United States (USDA high-level Policy Guidance for Organic Agriculture)

Other Supportive Initiatives

Although not yet having a comprehensive organic policy framework, some governments have developed formal programs or projects to support one or more aspects of organic sector development. Examples of these are:

- Canada - Organic Value Chain Roundtable (a public-private collaboration), which developed the “Canada Organic” brand program.
- Indonesia (Bali) - Program to replace chemical fertilizers with organic methods and inputs.
- Samoa and Niue - Certification subsidy to for NGO-managed producer groups.
- Thailand - Ministry of Commerce Annual Organic Exposition and Seminar

Some of these support policies and initiatives are featured as case examples in other parts of this toolkit.

International Development Agencies, often although not always linked to other governments, have been instrumental in establishing the organic sector in many developing countries. Most of these projects involve some form of cooperation with governments. In some cases the development agencies have taken the first step towards collaboration, and in other cases governments have reached out to donors for assistance with organic sector development projects. Examples of donor/government cooperation include IFAD with the SPC for the Pasifika Organic Standard. These agencies may start projects independently in some countries, and develop government collaboration later in the project. An example is the work of the Swiss development organisation, Helvetas, in Laos to establish village-based, woman-based organic vegetable production and develop urban organic farmers



markets to enable sales of the produce. The Lao Ministry of Agriculture and some local governments collaborate in the farmers' market development and maintenance.

