



More organic!

Government development programme for the organic product sector and objectives to 2020



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Government Resolution 16 May 2013

Publisher: Ministry of Agriculture and Forestry

Graphic design: Kirsti Pohjapelto

Photos: Soili Jussila, European commission, Kotimaiset kasvikset ry,
Ministry of Agriculture and Forestry / photoarchive

Printing: Juvenes Print, 2014

ISBN 978-952-453-847-3 (Printed version)

ISBN 978-952-453-848-0 (Electronic version)

Preface

Strong boost for organic food!

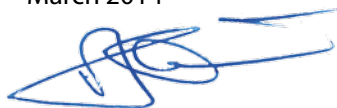
Food is among the key priorities in the Government Programme of Prime Minister Jyrki Katainen. As stated in the Government Programme, turning the production of organic and local food into a strong increase is among the main strategic objectives of Finnish agricultural policy. The efforts to this end include this Development Programme for the Organic Product Sector.

The aim of the development programme is to increase organic production, diversify the range of organic products available, and improve the access to organic produce in retail stores and professional kitchens. By 2010 the share of the area under organic production should be 20 percent of the total cultivated area in Finland.

The whole Finnish Government stands firm behind the promotion programme for organic production. The steering group for this work has representatives from a total of seven ministries. The programme covers all administrative measures relating to organic production, with thorough consideration of how these could be used to promote the organic product sector.

There is still a lot of work to be done, both in the administration and in the private sector. In the end it is the private producers and consumers who decide on the extent of organic production. The preparation of the programme has led to better cooperation between different actors in the organic product sector. There is a strong momentum for organic production. The way to reach the targets is through good collaboration.

March 2014



Jari Koskinen
Minister of Agriculture and Forestry





Background

The strategic objectives for Finnish agricultural policy in the Government programme adopted in June 2011 include a significant increase in the share of local and organic foods. The Government is committed to implementing a development programme for the organic product sector with the aim to diversify and increase organic production to meet the demand and to develop the organic food chain as a whole.

One particular key area in the development is the attractiveness of organic livestock production. The share of organic foods in public procurement is increased by improving and reinforcing the capability of small companies and local food producers to participate in competitive tendering through better procurement skills and greater emphasis on quality criteria. The aim is also to increase the efficiency in the processing, marketing and export

of organic products. The opportunities for small-scale food processing and sales are improved.

In summer 2012 the Ministry of Agriculture and Forestry appointed a steering group composed of representatives of seven ministries to outline the content of the Government development programmes for the organic product sector and local foods. The group also sees to the cooperation among the administrative sectors in the programme work, agrees on the political procedures, and monitors and promotes the implementation process. The group has representatives from the Ministry of Agriculture and Forestry, Ministry for Foreign Affairs, Ministry of the Environment, Ministry of Finance, Ministry of Employment and the Economy, Ministry of Education and Culture, and Ministry of Social Affairs and Health.





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Why more organic?

As a rule organic production causes less loading on waters and the climate than conventional agriculture, while being more beneficial to biological diversity. In organic production nutrients are collected and utilised more carefully and no synthetic chemical fertilisers and plant protection products are used. The production practice promotes the recycling of organic fertilisers and enhances the diversity of plant and animal species. The principles of organic production include a balance between arable farming and livestock production and diverse crop rotations.

In organic livestock production the animals have more space and the living conditions are more characteristics to specific species than allowed to animals in conventional livestock sectors. Conditions are created for species-specific behaviour and animals are offered the best possible opportunities to interact with individuals of the same species. Further reasons to promote the conversion to and continuation of organic production is to increase organic production to meet the growing demand.

Consumers value ecological food production practices where, in particular, synthetic plant protection products are not used. The range of additives permitted in organic foods is also limited.

Organic production is strictly regulated and defined in the EU legislation (Council Regulation EC No 834/2007) and in international agreements. The production is controlled by visiting all organic farms and production plants at least once a year.



EU organic logo

The organic product label in food packages is a guarantee to the consumers that the production chain has been duly controlled.

The growing demand for organic food offers new business opportunities to farmers and actors in the food sector, especially small companies processing and marketing organic raw material. Organic production is one way to improve the competitiveness of the food sector. Consumers value short supply chains, but at the moment about 40% of the organic brands in retail stores are imported. The consumers are wishing for a larger supply of organic products of domestic origin.



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Current state and development needs in the organic food chain

Arable area under organic production has been growing steadily since 2008, and during 2012 a record number of farms joined the supervision of organic production. The number of livestock farms included the supervision in 2012 was equal to their number in the preceding three years. The target for organic arable area set for the programming period 2007–2013 was almost reached a year before the end of the period as in 2012 the area under organic production was about 198 000 hectares (almost 9% of the total arable area). The average arable area of organic farms is about 46 hectares, which is a little more than Finnish farms have on average. A total of 759 farms engaged in organic livestock production in 2012. Most of these raise cattle, sheep or chickens. The growing number of organic livestock farms strengthens the link between arable farming and animal husbandry and ensures that organic feed is utilised to produce organic livestock products.

The organic arable area now under cultivation in Finland and present organic farms have the potential to produce more organic raw material to the market than they do at present. Now some of the organic raw material, produced in compliance with the rules for organic production, is partly wasted as it ends up sold as conventional produce. Only part of the crop harvested from organic arable land is sold on the organic product market. In Finland there are many livestock farms where arable lands are under organic cultivation but the livestock products are still sold as conventional ones. It is important to develop the market-

ing channels so that as large a share as possible of the organic products that meet the conditions for organic production are also sold on the market as such. On the other hand, the growing markets and entry of new organic food processors should make it easier for all organic producers who wish to produce for further processing to find organic processors for their products. At present, for example, in eastern and northern Finland all organic dairy farms in the area cannot be covered by the contracts concerning organic production offered by the dairies.

The growth in organic livestock production highlights the need to secure a sufficient supply of protein feed. For organic production it is particularly important to increase the cultivation of broad bean and pea. According to the working group on the feedingstuffs strategy of the Ministry of Agriculture and Forestry (MMM 2010:9), the protein self-sufficiency of Finland based on cultivation is 15% and that based on oil pressing (groats and briquettes) is 40%. Among of the main measures proposed by the working group were to increase the cultivation area of protein crops, examine the possibilities to cultivate new protein crops suited to organic and conventional farming, and ensure that a sufficient incentive to these is maintained when reforming the national and EU support policy. The objective set in the National Food Strategy is to raise protein self-sufficiency from 10% to 50%. According to the statistics on organic production of the Information Centre of the Ministry of Agriculture and Forestry, in 2012 the area under mixed

cultivation of protein crops and cereals grew while the areas under broad bean and pea stayed about the same.

Developing the organic product sector provides the consumers with an alternative to conventional food products. As regards food safety the strengths of organic products include low risk of pesticide residues (Pesticide Residue Monitoring in Finland – 2010, Publication series of the Finnish Food Safety Authority Evira 05/2012) as well as certified traceability of production. Organic production involves certain food safety issues which we should recognise and prepare for. In organic livestock production, for example, there are mandatory requirements concerning access to outdoor areas, which may increase the contacts between poultry and wild animals. This leads to a higher risk of spreading *Campylobacter*, because this bacterium is quite common in outdoor areas with livestock.

The rules for organic production have no specific obligations or guidelines for protection against diseases or practical measures to be taken in advance to combat diseases. These include measures taken in connection with animal and feed import,

guidelines for animal and passenger transport and regular, documented healthcare visits by a veterinary surgeon.

It is important to ensure that organic animal farms which are not included in national animal healthcare schemes or committed to practices instructed by the Association for Animal Disease Prevention ETT have enough information about the disease risks and preventive action, which can also be verified.

In Finland there are a little under 600 companies which manufacture organic foods. In the past few years their number has increased by about 10%. Compared to the other EU countries the share of companies processing organic grain mill products of the organic food manufacturers is particularly high, while the shares of manufacturers of organic beverages, oil and fat products and highly processed foods are smaller. The problems in the processing and marketing are due to the small markets and long distances. The wholesalers and processors do not have access to a sufficient supply of organic raw material, while individual organic producers do not find suitable channels for marketing their products.



Another problem is that small companies do not know food legislation well enough. In small companies there is not enough time and expertise to learn all the rules and regulations. Procurement legislation may also be poorly known, but this is also a problem for public institutional kitchens. Practical advice to meet the needs of the companies should be provided both on the requirements in the food legislation and application of the procurement regulations.

In 2012 the share of organic foods in the total food sales in retail outlets was about 1.6% while in, for example, Denmark this share is more than 8%. In 2009 the value of organic product purchases per capita was € 139 in Denmark, € 75 in Sweden, € 24 in Norway and € 14 in Finland. In Finland the growth has been restricted by the fragmented organic product sector, insufficient collection and distribution channels and long distances. Unforeseen changes cause peaks in the demand which the domestic organic production is not capable of responding to. Small product volumes are not suitable for large production plants. The companies cannot base their production on the needs of the small markets, but export prospects are also needed. Some of these problems will be eased by increased volumes of organic production.

The share of organic products in the raw materials of institutional kitchens by weight is estimated at about 5%. Organic raw material is used the most in daycare (10%) and the least in services for the elderly (2%). The number of institutional kitchens using organic products actively and on a regular basis is growing rapidly. Now almost a fifth of the institutional kitchens use organic products at least weekly. Besides the price, the use of organic product in institutional kitchens is restricted by the weak supply. Obstacles to the growing use of organic products also include the large volumes to be purchased, too small package sizes and low degree of pre-processing, as well as small supply of organic products which meet the nutrition recommendations, e.g. low-salt products and high-fibre breads. The security of supply of organic products can be improved by increasing the production volumes. Besides the nutrition targets, it would be important to include the targets relating to organic products in the municipal or catering strategies,



thus showing the commitment of the municipal decision-makers to increasing the share of organic foods. Companies for pre-processing the products, such as vegetable peeling plants, would be needed between the farmers and those who make food from organic raw material. The products must be collected from farmers, washed, peeled, puréed, cooked, packaged or frozen in order for them to be ready to be used in the kitchens or by wholesalers. Such processing operations would also offer new opportunities to farmers to diversify their farming activities.

To meet the consumers' wishes for a better access to organic foods, the current production structure and range and supply of organic products need to be improved. Organic livestock and horticulture production, in particular, should be increased to meet the growing consumer demand. Studies have shown that what the consumers of organic products wish for the most is organic food of domestic origin. Many of these consumers also wish to buy organic food elsewhere than in large supermarkets. Consumers are attracted to short supply chains, even if most of the organic food is purchased through the regular trading channels for daily goods. It is important to develop new marketing channels, such as farm markets and outlets, temporary sales outlets, sales at various kinds of events, food rings and internet sales. Legislation should be developed and obstacles and impediments to processing and marketing removed. The consumers do not yet know the mandatory organic product label of the EU well enough, and further clarification is also needed as to the whole concept of organic production.



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Development objectives for the organic product sector and measures until 2020

By this programme the Finnish Government will turn the share of organic food into a strong increase through collaboration among all administrative branches. Food-related activities constitute a growth sector, and there is a strong will to improve the competitiveness of and cooperation within the sector. The Government is committed to implementing a development programme for the organic product sector through which the public bodies help the actors in the organic product chain to increase the share of organic produce considerably from the present. Some of the development actions are the same as in the programme for promoting local foods. The administration offers certain tools, but it is for the various actors in the organic product sector to bring organic food to the consumer's table via retail stores and institutional kitchens. The objective is to increase organic production and diversify the supply of organic foods as well as facilitate the access to organic food through different sales channels and institutional kitchens.

The implementation of the programmes concerning the organic product sector and local food is among the spearhead projects of the Government. The programme is implemented within the Government decisions on spending limits and state budget funding by reallocating the available resources. As a new input an appropriation of € 1.58 million has been allocated for the planning and implementation of the programmes for 2012–2015.

Growing volumes of organic production

Organic production is among the priority issues in the EU programming period 2014–2020. Organic production is exempted from the greening requirement in the direct area-related payments. Support payments to farmers specifically targeted to organic production are in a key position in increasing organic arable farming and livestock production. The new Rural Development Programme for Mainland Finland is going to have a specific scheme of its own for supporting organic production (both plant and animal production) that is not part of the agri-environment scheme. In the conditions for the support the position of, in particular, vegetables grown in the open will be improved to meet the demand for organic vegetables. The conditions for the support should be such that they steer the producers to produce for the organic market. As the volumes of organic production can be expected to grow, it must be ensured, within the available resources, that enough funding continues to be targeted to support for organic production.

The demand for organic livestock products exceeds the supply, and the production is also limited to few sectors. Most of the organic livestock farms raise cattle, while the share of organic farms is the greatest in sheep and goat production, where 18% of the farms were organic in 2009. Only a few tens of pig and broiler farms engage in organic production. Besides the small number of

organic livestock farms there is the problem that on too many organic farms livestock is not covered by the organic production practice, which means that livestock products are sold as conventional ones. Thus the diversification and increase of organic livestock production is in a key position in promoting the organic product sector.

The investment aids for agriculture, both national ones and those under the Rural Development Programme for Mainland Finland 2014–2020, aim to improve the operating conditions and competitiveness of agriculture. Within the Rural Development Programme efforts are made to improve the efficiency of investment aid and develop the conditions for the aid to take better into account the requirements relating to organic production, such as those concerning space and outdoor areas, in order to achieve a major increase in the production. Cooperation between plant and animal farms should be increased for more efficient recycling of nutrients. Building of manure storage facilities is supported to make it easier for plant farms to receive and store manure. Cooperation in handling and storing manure is developed and building of remote manure storage facilities is also made eligible for investment aid on both animal and plant farms.

The Ministry of the Environment assesses the environmental permit procedure for livestock buildings and shelters as part of the overhaul of the environmental protection legislation. The aim is to develop the permit procedure and speed up the processing of the permits.

Increase in organic livestock production leads to a growing need for organic feed protein. The cultivation of oilseed plants, pea, broad bean and vetch should be increased so that a growing share of the protein feed will be of domestic origin. This is important to reduce both market risks and microbiological risks relating to imported feed.

The EU rules and regulations on organic production, communication on these and clear control produces have created a common European standard which guarantees both the supply of genuine organic products to the consumers and conditions for fair and equal competition to the

producers. Finland continues to be active in developing EU legislation such as those concerning the rules for production and labelling, in accordance with the national needs and circumstances.

The European Commission is preparing an overhaul of the legislation on organic production. An impact assessment and broadly-based hearing were completed in summer 2013 and the Commission should give its legislative proposal to the European Council and Parliament in the early part of 2014. The purpose of the reform is, among other things, to simplify the legislation in a way that the current standard is not compromised. The proposal may have significant impacts, for example, on the organisation of control.

The new national act on organic production, implementing the relevant EU legislation, should enter into force on 1 January 2015, if not sooner. At present the implementation takes place by the Act on Implementation of the Common Agricultural Policy of the European Communities (1100/1994).

Increase in the number of organic producers is reflected in the need to ensure the control resources and appropriate distribution of labour in the controls. Growth of the organic product market increases the risk of potential malpractice. The resources of municipalities for control purposes are almost nonexistent, and the resources of the Finnish Food Safety Authority are also not sufficient to improve the market supervision of organic products and increase consumer information. Ensuring sufficient resources for control is vital for preserving consumer confidence.

In the advisory services for rural industries the state subsidy for advice to the organic production sector has risen to about € 0.5 million a year. The share of organic production in the total funding has grown, while subsidies for advice to other sectors have been cut. Among the aims in reallocating the state aid and improving the effectiveness of the aid is to renew the structures of the advisory organisation to make them capable of doing their job better and more efficiently. This should also facilitate the further processing of research information and its transfer to be used by advisory organisations and entrepreneurs. In the programming

period 2014 - 2020 funding for the farm and business advisory services is also available under the Rural Development Programme for Mainland Finland. In the upcoming period the Member States are obliged to create a scheme in which advice relating to e.g. agricultural practices beneficial for the environment and biodiversity is provided to farmers. This gives an excellent opportunity to also increase advice on organic production.

Knowledge and skills relating to organic production have also been taken into account in vocational education and training in the agriculture sector, for example, in the content of the basic degrees. It is important for those organising the education and training to offer opportunities for the students, within the choices allowed, to seek qualifications relating to the organic product sector as part of the vocational education and training in the agriculture sector. Increasing the offering of education in organic production at vocational education institutes supports the programme objectives. Education and training on the different aspects of organic production should be available nationwide, especially as regards organic livestock and greenhouse production.

The Ministry of Agriculture and Forestry supports research on organic production, as part of other research efforts. The funding of research on organic production has mainly been organised through the international ERA-Net (European Research Area network). Through this the Ministry of Agriculture and Forestry offers opportunities to researchers for international networking, allowing Finnish research groups to carry out research on organic production in international projects. This also promotes rapid dissemination of research information for use in Finland. Setting up a specific research programme on organic production requires the involvement of several sources of funding.

The Ministry of Agriculture and Forestry continues to keep research on organic production on the forefront when planning the future programmes by means of the strategic research funding of the Government. For the next EU programming period new instruments have been designed to bring research and its results into practice: EIP (European Innovation Partnership) aims to bring

together various stakeholders (researchers, advisors, farmers, etc.), and funding will be allocated for this purpose under both the Rural Development Programme and the Horizon2020 research programme.

■ **Objective:**

Of the cultivated arable area 20% is in organic production in 2020. To achieve this, the organic production area should grow by at least 10% every year. More organic production is needed in order that the supply of organic food meets the demand in both retail stores and institutional kitchens. More organic livestock and horticulture products, in particular, are needed on the market.

■ **Measures:**

Sufficient funding is allocated to commitments concerning organic production to support the favourable growth trend of the organic product sector.

Work is done on the EU legislation so that our national needs are duly taken into account in the regulations concerning production and especially in the organisation of control.

Conversion of livestock farms into organic production is facilitated by amending the conditions for investment aid.

Self-sufficiency in protein feed is increased to meet the needs of the growing livestock production through research, advice, plant breeding and means allowed by the common agricultural policy of the EU.

Greater diversity in the supply of domestic organic foods

A new Rural Development Programme for Mainland Finland is being prepared for the EU programming period 2014–2020. Organic production is among the key priorities in regional and national development projects. To benefit more from the regional projects, the results of the development actions should be more readily and widely available. In the next programming period there will also be national coordination projects which support the regional development work.

The Finnish organic products market is small and the producers are scattered in different parts of the country, which is why a lot of development work is needed in the collection and distribution of organic products. In the new Rural Develop-

ment Programme for Mainland Finland small companies are encouraged to networking into sub-contracting chains or otherwise engaging in closer cooperation. This would make it easier for small companies strongly focused on production to manage the extensive legislation and other norms by taking advantage of the expertise within the cooperation network. Diversification of the supply of organic products supports the competitiveness of the Finnish food sector as a whole. Most of the food companies covered by the supervision of organic production manufacture cereal and bakery products, while the greatest growth potential on the organic product market is in fruit and vegetables, fresh meat and meat products. The food recipes of, for example, grain mill products should be revised to bring them better in line with the nutrition recommendations.

The range of organic raw materials and package sizes do not correspond to the needs of institutional kitchens. Cooperation between the companies is needed to bring small batches on the market as organic products, processed into a form that can be used by institutional kitchens. Through cooperation the producers are also better capable of guaranteeing a steady supply of the products round the year. In the new Rural Development Programme tools are created, in particular, for developing flexible pre-processing units to serve the needs of institutional kitchens.

Today's consumers wish to buy food through as few intermediaries as possible, which means that new marketing channels need to be developed. Collection points should be developed to combine small product batches and transport them together with larger volumes.

It is often hard for small companies to gain access to the market. The competition legislation, which is also being revised, is going to offer better opportunities to achieve a more equal competitive position.

Entrepreneurs in the organic product sector need assistance in determining the nutrition composition of their products. Information on the nutrition composition of foodstuffs used by the Finns and in Finland has been compiled into the Fineli

databank maintained by the National Institute for Health and Welfare. Small companies use composition information based on the databank for their products because they cannot examine the nutrition content of their products by laboratory analyses. The database has become even more important due to the requirements in the EU Consumer Information Regulation. Ensuring the maintenance of the databank is thus a priority issue and, in particular, updated information should be entered on nutrition factors in which organic products differ from the conventional ones (including vitamin D and selenium).

Small companies have a major role in the manufacture of organic foods. The Food Act was amended on 1 September 2011, granting certain easements to SMEs and primary producers. The EU legislation imposes restrictions to the flexibility allowed in the national rules as regards foodstuffs of animal origin, especially meat. There is a great need for advice on food legislation to small companies. Practical guidelines and examples of good practices concerning specific sectors or product categories or for individual companies should be prepared. Systematic education and training should be provided on an ongoing basis.

Statistics and other compilation of information on organic production are still relatively scarce and scattered. The Information Centre of the Ministry of Agriculture and Forestry produces statistics on the volumes of organic production and forwards the data to the Eurostat, which publishes data on organic production on the EU level. Through the supervision of organic production at the Finnish Food Safety Authority information is obtained on e.g. the numbers of organic producers (farms, actors in food and feed businesses and seed packaging plants) and farms engaged in organic production or being converted into this. Information is also available on the total yields of different products, yield of organic cereals and their use on farms and volumes of milk and eggs delivered to dairies and egg packaging plants. Instead, for organic livestock production only the numbers of animals are known. There is hardly any information available on the product flows of organic raw materials to food processing. Not all of the organic raw material comes to the market as organic

products. The amounts thus wasted are not known, because only production data are included in the official statistics on agriculture. Information on the consumption, import and export of different foodstuffs is also lacking. More information is needed in order to better manage the balance between the production and demand and respond to changes in the latter. Reliable statistical data are also needed for risk-based control. In the statistics on the bookkeeping farms of the Agrifood Research Finland MTT, separate statistics on organic farms have been compiled since 1994. The data from the past about ten years are now available on the EconomyDoctor website.

The main purpose of the agricultural producer organisation is to coordinate and centralise the supply of products and strengthen the producers' market position. The objectives of the sectoral organisation, composed of actors in the processing and trade of agricultural products as well as producers, include the creation of negotiation and contract system between the producers and other actors in the food chain to identify and promote the common interests of those involved. Besides the fruit and vegetable sector, the approval of producer organisations became obligatory for the Member States in the milk sector in spring 2012. For other product sectors the Member States may approve producer and sectoral organisations by national decisions. Certain exemptions from the competition rules applicable in the EU have been granted to producer organisations.

Whether the approval of all producer organisations becomes mandatory for the Member States will be decided in the context of the reform of the EU agricultural policy. In Finland there are national provisions on the producer organisations in the fruit and vegetable and milk sectors.

Products collected from the wild are organic if they come from an area specifically approved as organic collection area. An area to be approved as organic collection area must be a homogenous area where over the preceding three years only fertilisers and pesticides approved for organic production have been used. Of the Finnish forest, scrubland and wasteland area 99% would meet the criteria. The main obstacles to the approval

as an organic collection area are the prevention of root-rot fungus and forest fertilisation. In European comparison Finland ranks around the middle of the list according to the organic arable area, but when the collection areas are included Finland is number one by far. The total area approved as organic collection area in Finland is 75 000 km², which is 28% of the total surface area. This is utilised very poorly: on average only 0.04 kg of berries per hectare are collected, but since 2007 there has been some increase in the share of organic berries. Mushrooms and herbs collected from the wild may also be organic. The certification of organic collection areas is considered difficult and costly, and a special development project may be needed to facilitate the process, taking advantage of the tools offered by modern information technologies. A revised certification system could encourage to designating new collection areas, also outside the Lapland and Kainuu regions.

Internationalisation of the organic product sector may take place either through tourism or export promotion. A new Team Finland export promotion concept has been included in the Action Plan on External Economic Relations adopted by the Government on 16 May 2012. The ministries allocate the necessary resources for the Team Finland network from their operating expenses and report annually on the implementation of the strategy in their own sectors to the steering group of the network. Serving SMEs that aim for growth through internationalisation is a priority in the activities of the Team Finland network. The Government ministers contribute to export promotion and internationalisation by inviting business delegations to participate in their visits to relevant destinations. For this, support is available from organisations promoting exports and internationalisation (Ministry of Employment and the Economy, sales promotion organisations, Ministry for Foreign Affairs and network of Finnish embassies abroad). Food offers opportunities and added value in developing tourism and experience and welfare services. Farms engaged in organic production may offer tourism services or organic food may be available in other service enterprises or direct sale outlets of farms or producer groups. Tourism business is supported, among other things, by aid for individual

businesses or development projects under the Rural Development Programme for Mainland Finland.

■ Objective:

The range of organic products available is diversified. Increasing the organic area alone is not enough, but new organic products are needed on the market to meet the consumer demand. A range of organic products should be achieved that is in line with the needs of consumers, institutional kitchens and export companies, with the aim to triple the organic product market in Finland and ensure sustainable growth of the organic product chain in Finland.

■ Measures:

Systematic work is done to increase the provision of advice to small enterprises on food legislation and good practices in the whole country.

Collection and distribution is developed by increased cooperation between the producers through measures under the Rural Development Programme for Mainland Finland 2014–2020.

Creation and development of companies manufacturing organic foods is promoted through measures under the Rural Development Programme for Mainland Finland 2014–2020.

Statistics on the volumes of organic production is developed and the production of data relating to product flows and consumer demand is increased.

A more simple procedure is created for the approval of organic collection areas

Improving the access to organic food through trade and institutional kitchens

According to the Government Resolution on promoting sustainable choices in public procurement of 2009, organic, vegetarian or seasonal food must be offered in the kitchens and catering services for central government institutions at least once a week by 2010 and twice a week by 2015. The report of the Finnish Environment Institute published in autumn 2012 (SYKEra 8/2012) "Steering instruments for mitigating the climate impacts of housing, passenger transport and food" states that, as regards food, the support measures required by the steering instrument (education and training, communication, models) have been slow to get started because no funding for these has

been allocated in the state budget. If the support measures cannot be started the desired impacts are not likely to be achieved, at least not in the envisaged time frame.

In the administrative branch of the Ministry of the Environment a proposal on reforming the programme for promoting sustainable consumption and production ("Getting more and better from less") was completed in spring 2012. The task of the working group preparing the programme was to give concrete proposals for actions to cut down the greenhouse gas emissions and other adverse environmental impacts caused by consumption and find new opportunities for green economy and job creation. To reach the programme objectives concrete pilot projects have been launched, some of these directly related to food.

Relating to the programme for promoting sustainable consumption and production, a new Government resolution on promoting sustainable choices in public procurement is being prepared. The objective is that institutional kitchens and catering services purchase organic, vegetarian and seasonal foods that meet the nutrition recommendations so that 10% of the food offered in public catering is organic by 2015 and 20% by 2020. In this context sufficient advisory services and model contracts must be created for those responsible for public procurement. The advisory service on sustainable procurement at Motiva Ltd is preparing a procurement manual for food and catering services. It is important that the municipalities include organic food among the objectives in their strategies. Experiences from Sweden have shown that there are no additional costs if the planning of menus is revised when introducing more organic raw material. Local food purchases promote the local economies, as well as being an important competition and image factor.

The Act on Public Contracts currently in force allows to take environmental considerations into account in various ways. In the reform of the EU legislation on public procurement one of the main objectives is to place more emphasis on environmental and social perspectives. This would be done, for example, by clarifying the opportunities allowed by the procurement legislation to take

environmental and social considerations into account. Because most of the food processing companies, also those manufacturing organic foods, are small, we should examine how the possibilities of small companies to participate and succeed in the tendering procedures for public catering can be improved.

The advisory unit for public procurement, partly funded by the Ministry of Employment and the Economy, gives legal advice to contracting entities on issues relating to procurement legislation free of charge. The advisory unit operates under the Association of Finnish Local and Regional Authorities. It has been shown, however, that in procurement activities practical and concrete instructions are needed on how and in what kind of situations environmental considerations, including organic production, can be taken into account.

There is not enough advice available relating to procurement practices. The most appropriate body or organisation to offer this kind of advice should be decided. Advice should be developed so that the quality aspects of food, including organic production, nutrition and sustainable consumption, are better taken into account in the advisory work. Concrete instructions, such as manuals, labels and model documents, are needed to make it easier and more attractive for public organisations to take the environmental impacts of their purchases into account in practical procurement activities.

To promote sustainable procurement the Ministry of the Environment finances an advisory service on sustainable procurement, launched as a three-year pilot project at Motiva Ltd in summer 2012. Among other things, the advisory service develops the criteria and instructions for food procurement together with the public contracting entities and suppliers as part of the databank.

The work of actors in the organic product sector has been supported from the funds allocated to the marketing and development of agricultural products. For many years organic production has been one of the priorities in this work. The funds can be used to support sales promotion in general, while due to the EU guidelines for state aid

the focus may not be on brands or origin of the products. The projects must be broad in scale and nationwide. Development projects in the organic product sector have also been supported from the funds for developing the food chain. The aim is to create larger and more effective project entities. The Ministry of Agriculture and Forestry continues to maintain organic production as one of the key priorities in project applications.

Programmes concerning sales promotion of organic foods can be presented to the European Commission under the sales promotion scheme part-funded by the EU. EU part-funding allows to launch larger campaigns than by means of national funding alone. In the current reform process of the EU sales promotion scheme Finland has proposed changes that would facilitate the access of small actors to the programmes. The Ministry of Agriculture and Forestry continues to encourage actors in the organic product sector to participate in the EU part-funded sales promotion activities. A manual prepared by means of funding from the ministry and guidance by the authorities are available to the applicants.

■ **Objective:**

Objective: Improving the access to organic foods through trade and institutional kitchens. Of the food offered at the kitchens and catering services of the contracting entities of the state and central government 10% is organic by 2015 and 20% by 2020. This can be achieved by developing a competitive supply of organic products and procurement legislation and improving the expertise in procurement and nutrition issues. Increasing the share of organic food in both retail stores and institutional kitchens is linked to good nutrition.

■ **Measures:**

Procurement legislation is developed and quality and coverage of advice on procurement procedures is improved in cooperation with the municipal sector.

Municipalities are encouraged to increase the share of organic food in their purchases and to include decisions concerning the promotion of the use of organic food in their strategies.

Adequate advisory services and model contracts are created for those engaged in public procurement and a procurement manual for food and catering services is prepared.

Awareness of consumers and institutional kitchens of the organic production methods and organic product brands is improved.

Programme objectives, main measures and monitoring of their effectiveness up until 2020

OBJECTIVE	MEASURE	EFFECTIVENESS INDICATOR	RESPONSIBLE ORGANISATION(S)
Organic production volumes increased	Necessary funding allocated to commitments to organic production	Share of organic arable area	Ministry of Agriculture and Forestry
	National needs into account in EU legislation, especially in organisation of controls	Finland's proposals taken into account	Ministry of Agriculture and Forestry
	Conversion into organic livestock production promoted, conditions for investment aid developed and environmental permit procedure for livestock building eased	Number of organic livestock farms	Ministry of Agriculture and Forestry, Ministry of the Environment
	Self-sufficiency in organic protein feed increased	Self-sufficiency in organic protein feed	Ministry of Agriculture and Forestry
Supply of domestic organic foods diversified	More advice on food legislation and good practices to small enterprises	Number of small enterprises processing organic products	Ministry of Agriculture and Forestry
	Collection and distribution developed through producer cooperation	Range of organic products in institutional kitchens	Ministry of Agriculture and Forestry
	Creation of companies manufacturing organic foods promoted	Number of food manufacturers covered by supervision of organic production	Ministry of Agriculture and Forestry, Ministry of Employment and the Economy
	Statistics on production volumes developed, more data on product flows and consumer demand	Coverage of the statistics	Ministry of Agriculture and Forestry
	Approval procedure for organic collection areas revised	New procedure in use	Ministry of Agriculture and Forestry
Access to organic foods through trade and institutional kitchens improved	Procurement legislation developed and expertise on procurement procedures improved	Share of organic food in institutional kitchens	Ministry of Employment and the Economy, Ministry of the Environment, Ministry of Social Affairs and Health, Ministry of Agriculture and Forestry
	Awareness of consumers and institutional kitchens on organic production methods, labels and brands improved	Recognition of organic labels and brands	Ministry of Agriculture and Forestry, Ministry of the Environment

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Implementation of the programme and monitoring its effectiveness up until 2020

The implementation of the development programme for the organic product sectors is one of the spearhead projects of the Government. It is linked to the development of competitiveness and cooperation in the food sector as a whole.

The programme is implemented within the Government decisions on spending limits and the state budget funding by reallocating the available resources. As a new input an appropriation of € 1.58 million has been allocated for the planning and implementation of the programmes for local food and organic product sector for 2012–2015.

These funds are also used for implementing specific application procedures for projects concerning local and organic food. The first applications were accepted in the context of the application concerning food chain projects in autumn 2012.

The steering group of the programmes for organic and local foods monitors the realisation of the objectives set for the programme for the organic product sectors until the end of its term in 2015. After that the monitoring takes place as part of the regular monitoring of the ministries' activities.



Notes

