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Organic 2.0 – Finland's National Programme for Organic Production 2030

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Organic 2.0 – Finland's National Programme for Organic Production 2030

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Abstract

Objectives of the Programme for Organic Production 2030:

1. Growth in consumer demand for organic products – their market share to 5% by 2030. Consumer demand, export and production of organic production must be increased in a balanced way.
2. More organic products used in professional kitchens. The National Public Procurement Strategy sets the target for the use of organic products in professional kitchens at 25% by 2030.
3. Higher degree of processing of organic foods. Growth in the demand for organic products depends directly on raising the degree of processing and bringing new products to the market.
4. Finland a major exporter of organic products. To promote exports, products suitable for each market area must be developed and the degree of processing raised.
5. Growth in the production. Production must respond to the growing demand by producing enough organic products to the market.
6. Growth in the organic picking area. There is great demand for Finnish natural products and opportunities for growth especially in the export market.
7. Introduction of organic aquaculture. There is demand for organic fish.
8. Increased expertise in and information on organic production. Farm Business Competence Network AgriHub will be used to develop the expertise of farms and the whole chain. The Research Strategy of the Organic Research Institute 2021–2024 was published in the beginning of 2021.
9. Legislation and control. New EU and national legislation on organic production will enter into force in the beginning of 2022. The Finnish Food Authority will prepare new guidelines for the control.

Keywords

organic food, organic products, organic farms, food sector

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Luomu 2.0 – Suomen kansallinen luomuohjelma vuoteen 2030

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Tiivistelmä

Luomuohjelman tavoitteet vuoteen 2030:

1. Luomun kulutuskysyntä kasvaa – luomun markkinaosuus viiteen prosenttiin 2030. Luomutuotteiden kulutuskysyntää, vientiä ja luomutuotantoa on kasvatettava tasapainoisesti.
2. Ammattikeittiöiden luomun käytön lisääminen. Suomen Kansallisessa hankintastrategiassa luomun käytön tavoitteeksi julkisissa keittiöissä on asetettu 25 prosenttia vuoteen 2030.
3. Luomuelintarvikkeiden jalostusaste nousee. Luomukysynnän kasvu on suoraan riippuvainen elintarvikkeiden jalostusasteen nostamisesta ja uusien tuotteiden saattamisesta markkinoille.
4. Suomesta merkittävä luomutuotteiden viejämaa. Vientiä varten on kehitettävä kullekin markkinalle soveltuvia tuotteita ja nostettava luomutuotteiden jalostusastetta.
5. Tuotannon lisääminen. Tuotannon on vastattava kysynnän kasvuun tuottamalla markkinoille riittävästi luomutuotteita
6. Luomukeruualueen kasvattaminen. Suomalaisten luonnontuotteiden kysyntä on suurta ja kysynnän kasvulle on mahdollisuuksia erityisesti vientimarkkinoilla.
7. Luomuvesiviljelyn käynnistäminen. Luomukalalle on kysyntää.
8. Luomuosaamisen ja tiedon lisääminen. AgriHubin avulla on tarkoitus kehittää mm. maatilojen ja koko ketjun luomuosaamista. Luomuinstituutin tutkimusstrategia 2021–2024 julkaistiin vuoden 2021 alussa.
9. Lainsäädäntö ja valvonnan kehittäminen. Vuoden 2022 alusta tulevat voimaan EU:n ja kansalliset uudet luomusäädökset. Ruokavirasto valmistelee uudet luomuvalvontaohjeet.

Asiasanat

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Luomu 2.0 – Finlands nationella ekostrategi för 2030

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Ekostrategins mål 2030:

1. Konsumtionsefterfrågan på ekologiska produkter ökar – ekologiska produkters marknadsandel stiger till fem procent 2030. Konsumtionsefterfrågan på, exporten av och produktionen av ekologiska produkter ska ökas på ett balanserat sätt.
2. Användningen av ekologiska livsmedel i storkök ökar. Målet för användning av ekologiska livsmedel i offentliga kök är 25 procent 2030 i Finlands nationella upphandlingsstrategi.
3. Förädlingsgraden av ekologiska livsmedel stiger. Ökningen i efterfrågan på ekologiska produkter är direkt beroende av att förädlingsgraden på livsmedel höjs och av att nya produkter kommer ut på marknaden.
4. Finland blir ett betydande exportland för ekologiska produkter. Det ska utvecklas lämpliga produkter för varje marknad för exportsyften och förädlingsgraden för ekologiska produkter ska höjas.
5. Produktionen ökar. Produktionen ska tillgodose den ökade efterfrågan genom att man tillverkar ett tillräckligt antal ekologiska produkter.
6. Området för ekologisk uppsamling utvidgas. Efterfrågan på finländska naturprodukter är stor och det är möjligt att den ökar särskilt på exportmarknaden.
7. Ekologiskt vattenbruk införs. Det finns efterfrågan på ekologiskt odlad fisk.
8. Den ekologiska kompetensen och kunskapen ökar. Avsikten är att med hjälp av kompetensnätverket AgriHub utveckla bland annat lantbruksföretagens och hela produktionskedjans ekologiska kompetens. Finska ekologiska forskningsinstitutets forskningsstrategi 2021–2024 publicerades i början av 2021.
9. Lagstiftningen och övervakningen utvecklas. EU:s nya nationella förordningar om ekologisk produktion träder i kraft i början av 2022. Livsmedelsverket bereder nya anvisningar för övervakningen av ekologisk produktion.

Nyckelord

ekologisk mat, ekologiska produkter, ekologiska gårdar, livsmedelsbranschen

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FOREWORD

At the meeting of EU agriculture ministers in May, I noted that we in Finland are even more ambitious in raising the share of organic food production, because we see great potential in it. The increase in demand for organic products must be met by placing more organic products on the market. Consumer confidence must also be earned, and fraudulent activities must be fought vigorously. This does not mean that increasing the volume of the organic production area is not important. Our objective is the same as that set by the EU in the Green Deal programme, i.e. that one quarter of our fields should be organic-certified by 2030. This is a tough goal and requires efforts to achieve it.

The programme lists a number of objectives for increasing the proportion of organic production, demand, food services, exports and organic picking products. In order to achieve the objectives, organic payments play a major role. At the time of writing, the reform of the EU's new common agricultural policy is still in the negotiating phase, but organic production is certain to have a substantial role in the CAP strategy for 2023–2027. The aim is to support the development of food services through projects. A roadmap is currently being prepared for increasing organic picking areas. The potential of organic production has been noted. We must utilise it.

Implementation of the programme has already started, but the work will intensify in the coming years. The role of the Ministry of Agriculture and Forestry is to coordinate the implementation of the programme, but without collaborative effort and the input of all actors in the organic sector, the programme cannot reach its full potential. I therefore appeal to you, organic actors – here too, cooperation is a strength!

Helsinki, 22 June 2021

Jari Leppä

Minister of Agriculture and Forestry

1 Introduction

Organic production is an important part of the Finnish food system. It responds to consumer demand and offers solutions to many environmental and climate issues. Organic cultivation methods contribute to the achievement of many environmental objectives, such as reducing the use of pesticides and chemical fertilisers. The aim of the Government Programme is to increase the share of Finnish organic products in food production, food manufacturing, domestic consumption and exports.

The European Green Deal and its Farm to Fork and biodiversity strategies have identified organic a key factor in the development of sustainable agriculture and food production.

In its recommendations to Finland on the strategic plan for the common agricultural policy, the EU Commission states that Finland must increase its organic production area in accordance with the Green Deal, while promoting the consumption of organic food and the introduction of organic farming, and strengthening R&D and innovation in organic production.

In its action plan published on 24 March 2021, the EU Commission will focus on increasing the demand for and confidence in organic food through traceability, especially in public food services. Increasing cooperation with restaurants, wholesalers and catering companies has been mentioned as one factor that promotes trust. Transition to organic will be encouraged by increasing information-sharing on best practices, promoting market transparency and supporting market organisations and group certification. The Commission emphasises local food and the importance of small downstream companies, and wants to shorten food supply chains. The plan mentions the role of organic production as a forerunner of sustainable and adaptive agriculture. This is based on the health of the ecosystem.

Organic production must be developed through cooperation across the entire food system and in such a way that it is taken into account in all development and resource allocation of the food sector. Actions will be targeted specifically at identified issues requiring development.

2 Experience of the previous programme

The “More organic!” programme for the development and targets for organic production by 2020 were approved by government resolution in May 2013. In the government programme of the time, strong growth in the share of organic and local food was identified as a strategic aim in agricultural policy. The government pledged to implement a development programme for the organic sector. Since then, all government programmes have included a commitment to continuing the implementation of the organic programme. The objective of the organic programme was to increase organic production, diversify the selection of Finnish organic foods and improve the availability of organic food both in retail and in professional kitchens. The programme also aimed to ensure that by 2020, the share of organic farming in Finland would be 20 per cent. This objective was not achieved. The organic sector currently accounts for 14 per cent of Finland's agricultural area.

An external evaluation commissioned by the Ministry of Agriculture and Forestry was completed in autumn 2018. The Ministry considered it necessary to assess the outcomes of the programme and the needs for future development.

The evaluation found that the organic programme has succeeded in raising the profile of organic and in intensifying cooperation between actors. It has helped boost confidence and courage to get involved in organic production. The evaluation report states that the programme has led the way in the development of the organic sector and is well positioned and able to support the development. The development also requires financial investments and extensive stakeholder participation in the joint development of the organic sector.

The evaluation also found that there will be a continued need for such a programme in the future. A subsequent programme should ideally focus better on tackling bottlenecks identified in the organic sector.

The organic sector needs stronger investment in research, production, processing, marketing and export efforts. According to the evaluation, development efforts have been cautious. Organic production has great potential, which has not been sufficiently utilised.

3 Environmental and climate impacts of organic production

The objective of organic production is to produce food in a manner that takes the environment, people and animal welfare into account.

Climate change and the rapid loss of biodiversity pose heightened challenges to sustainability in food production. Organic production offers many ways to build a sustainable food system as part of a wider set of tools for sustainability revolution.

Organic production is based on good soil management. Organic cultivation methods promote the accumulation of organic matter and carbon in the soil, which is a prerequisite for good growing conditions. At the same time, these methods promote nutrient recycling, reduce dependence on fossil energy and increase the nutrient self-sufficiency of farms.

The climate impacts of organic production, calculated as greenhouse gas emissions and taking different emission sources into account, are typically lower per area than in conventional production. In many studies, the average climate impact per unit has been estimated to be about the same as in conventional production due to a lower average yield or output. The climate impact of organic production is also influenced by the use of green manure and livestock manure. Emissions from the manufacture and field use of almost all recycled fertiliser products are lower than emissions from equivalent mineral fertilisers. Emissions from the field use of recycled fertilisers are reduced by lower nitrous oxide (N₂O) field emissions from organic fertilisers compared to the N₂O emissions of mineral fertilisers.

The use of chemical plant protection products is not permitted in organic production, and the use of veterinary medicinal products is more restricted than in conventional production, and thus a low chemical load in the environment is a clear strength of organic production. In terms of loads entering waterways, organic production benefits from a lower local nitrogen loading. Ongoing research consistently shows that organic production is more advantageous than conventional production for farmland biodiversity. Organic grazing practices have positive impacts on animal welfare and the diversity of the agricultural environment. Organic production is also more economically viable than conventional production, as inputs are cheaper and producer prices and compensation payments are higher.

4 Organic targets by 2030

1. Increased consumer demand for organic – the market share of organic products increasing to 5% by 2030

The consumer demand, exports and production of organic food should increase in a balanced manner. In recent years, demand has increased by almost 10% per year, and the same trend is expected in the coming years. However, the share of organic in retail sales is only 2.6 per cent of total revenue. .

2. Increasing the use of organic in professional kitchens

In Finland's national public procurement strategy, the target for the use of organic products in public kitchens is 25 per cent by 2030, which is the same target as in the organic programme. According to the current estimate, the share of organic in public kitchens is about 15%.

3. Increasing the added value of organic food products

The growth of organic demand is directly dependent on increasing the added value of foodstuffs and the introduction of new products on the market. Professional kitchens need more organic food products with suitable package sizes and characteristics.

4. Finland to become a significant exporter of organic products

Products suitable for individual export markets must be developed, and the added value of organic products must be increased. Organic picking products have particular export potential.

5. Increasing production volumes

Production must respond to growing demand by producing sufficient volumes of organic products for the market. The EU's Farm to Fork strategy aims to increase the EU's organic field area to 25% by 2030. Balance must be sought in crop farming and livestock production so that organic farms can achieve the necessary crop cycles and nutrient requirements of production. Organic farming methods should also be developed to increase production. The aim is that farms which already grow organically or are in the process of converting their fields to organic production would also go organic in livestock where applicable. Increased crop yield levels, enhanced plant breeding and testing, and an increased share of certified organic seed are needed. Increasing organic greenhouse production is essential in order to meet the growing demand.

6. Growth of the organic picking sector

The demand for Finnish natural products is high, and further growth is possible especially in export markets. In practice, natural products cannot be marketed and exported before the product has been certified as organic. Domestic manufacturing industries which use natural products are significant users of Finnish natural products such as organic berries and other natural products are also becoming important.

7. Developing organic aquaculture

The Farm to Fork strategy aims for growth in organic aquaculture. In practice, organic fish farming does not yet exist in Finland. However, there would be demand for organic fish. Bottlenecks in organic fish farming should therefore be investigated.

8. Increasing organic competence and knowledge

The AgriHub business competence network was launched at the beginning of the year to provide advice, research and training resources for commercial farmers. The aim of the network is to promote the competitiveness and regeneration of farm enterprises. AgriHub seeks to develop the organic competence of farms and the entire chain. The Finnish Organic Research Institute published its research strategy for 2021–2024 at the beginning of 2021. The strategy provides the foundation for organic research in the coming years, and it must take into account the possibilities of digitalisation.

9. Legislation and development of control

New EU and national organic legislation will enter into force in 2023. The Finnish Food Authority is preparing new guidelines for organic control and enforcement. Organic control should be developed, for example, by developing electronic inspection methods. Effective control will promote consumer trust and help reduce food fraud.

5 Organic food in Finland and neighbouring countries

The organic cultivated area has increased by 115,799 hectares since the beginning of the previous organic programme in 2013. The share of organic farms was 7.4 per cent in 2013, compared with 11.5 per cent in 2020. The average size of organic farms was 49 hectares in 2013. In 2020, it was 62 hectares.

Table 1. Development of organic production by ELY Centre region (Source: the control statistics of the Finnish Food Authority)

	Farms %		Arable land area %		Farm size x	
	2013	2020	2013	2020	2013	2020
Uusimaa	9.3	14.1	10.0	11.2	53.0	70.0
Southwest Finland	5.4	10.2	6.0	11.0	55.0	66.9
Satakunta	4.2	6.7	5.0	8.6	46.7	64.5
Häme	4.3	8.2	4.1	9.1	43.2	63.1
Pirkanmaa	10.0	14.8	11.5	17.1	44.1	53.4
Southeast Finland	6.0	11.0	8.5	16.1	55.0	72.8
South Savo	9.0	12.8	12.7	17.8	36.7	46.1
North Savo	8.5	12.6	9.4	13.6	40.5	51.4
North Karelia	13.5	26.4	19.8	27.9	53.5	63.0
Central Finland	5.5	8.2	6.9	11.5	39.1	53.5
South Ostrobothnia	5.6	9.4	7.9	12.7	54.7	66.9
Ostrobothnia	7.6	11.0	9.2	13.5	45.5	57.3
Northern Ostrobothnia	8.3	13.0	11.1	17.3	62.0	80.9
Kainuu	13.7	17.4	23.8	22.1	58.9	53.8
Lapland	3.2	3.9	7.6	8.2	64.4	79.2
Åland Islands	27.9	37.5	19.0	23.0	25.9	27.3

Table 2. Share of organic production in Finland and neighbouring areas 2018 (Source: FiBL)

	% of agricultural area	% of bovine animals	% of pigs	% of poultry	% of sheep
Finland	13	7.9	0.4	4.9	24.6
Estonia	21.9	16.9	-	1.7	42.8
Sweden	19.9	22.1	2.5	16.8	21.1
Denmark	9.8	13.7	4.0*	23.9	7.3
Germany	9.1	15.8	0.9	7.5	12.1

Table 3. Organic sales in Finland and neighbouring areas 2018 (Source: FiBL)

	% of retail trade	retail value, EUR million	exports, EUR million	no. of importers	no. of exporters
Finland	2.4	336	28	63	20
Estonia	2.7	42	27	33	16
Sweden	9.6	2,301	117	89	10
Denmark	11.5	1,807	390	78	80
Germany	5.3	10,910	-	1,723	1,208

6 Development measures for organic production until 2030

1. Increased consumption – the market share of organic products increasing to 5% by 2030

The demand for organic in retail trade has increased by almost 10 per cent in recent years, and it appears that this trend will continue. In 2020, organic retail sales totalled EUR 409 million and had increased by 9.7% from the previous year. However, despite the high growth, organic sales accounted for only 2.6% of total retail sales. In Denmark, which is the leading consumer of organic in Europe, the market share is around 9%. However, there is high variation between product groups. The shares of sales in the best-performing product groups were: 24% for baby foods, 21% for eggs, 18% for vegetable oils, 14% for refined and unrefined grains, 9.5% for flours. The highest-selling organic products were bananas, eggs, milk, coffee and minced meat. A third of sales are in fruit and vegetables, milk and liquid dairy products. The reason for the low proportion of organic products is the low presence of organic products in high volume groups such as meat products and bakery products.

Retail has been a driving force for the growth of organic production in many EU countries, and organic own-label products that offer consumers a more affordable alternative have also contributed to the growth in the sales of organic products. Although most organic food is purchased from retail stores, short supply chains are an important part of organic offering. Farm shops, organic buying clubs, REKO Rings (local food networks) and community-supported agriculture initiatives are particularly important for active organic consumers.

The profile of organic has been successfully promoted through communication. However, there is still work to be done, as consumers often confuse organic with local or wild food. According to the organic consumer barometer survey (Finnish Organic Food Association 2019), the best known organic label is the national "Sun" label: 60% of citizens recognise it. The national "Ladybird" label is recognised by 40% of citizens. Awareness of the "Euro Leaf" label has increased, and according to the survey it was recognised by about half of Finns.

In the tourism and food service sector, organic food can be offered to domestic and foreign tourists. Travellers can be introduced to organic food by organic agri-tourism destinations and trails, the organic food offerings of accommodation providers and restaurants, organic picking sites and other activities relating to organic food.

Since organic products are more expensive than non-organic products, it is important to strengthen consumers' trust in the benefits of organic production. The sustainability benefits should be highlighted. It is also important to combat food fraud and to further develop controls and traceability.

In order to obtain a more comprehensive picture of organic consumption, it should also be possible to monitor it through other channels in addition to the retail sector and to obtain information about the consumption of Finnish organic products in terms of both value and volume.

Measures to increase demand (responsible parties in brackets)

- Increased consumer awareness through communication and campaigns (organic associations, businesses; manufacturers and trade),
- Sharing information about the organic label and organic production in regional and national projects (project actors),
- Other countries' lessons learned in the marketing and branding of organic (Finnish Organic Food Association, businesses),
- Use of EU promotion funds (Ministry of Agriculture and Forestry, the Finnish Food Authority, operators in the sector),
- Clarification of the sustainability benefits of using organic products (the Finnish Organic Research Institute, operators in the organic sector)
- Development of organic agri-tourism services (ECEAT Finland, other actors in the sector).

2. Increasing the use of organic in professional kitchens

The national public procurement strategy published in autumn 2020 sets the target for the use of organic products at 25 per cent of actual food purchases (kg) in public professional kitchens by 2030. This is also a target of the organic programme.

In Finland, the use of organic products in public professional kitchens is estimated to be approximately 15 per cent of raw material (kg), and the volume increases every year. Increasing the share of organic in public professional kitchens is hampered by the high price of organic products. On the other hand, estimates suggest that increased use of

organic products is not necessarily more expensive, if the increase is taken into account in menu planning. The availability of Finnish organic products is a challenge, and many catering services favour Finnish products over imported organic products. The first step in increasing the share of organic is a decision by local government and other public bodies to increase the use of organic products. Commitment to organic also helps to develop domestic organic production.

Currently, professional kitchens are generally not satisfied with the added value, product range and packaging sizes of organic products. Availability is not always guaranteed. Professional kitchens do not necessarily want many contracts with different suppliers, instead preferring a single supply contract. Producers are not familiar with the wholesale business, and there is little cooperation between them. The added value of organic products should be increased, and their availability from wholesalers should be improved.

Resources are also needed for improving knowledge about organic among public decision-makers, procurement units and professional kitchens. Competence in organic procurement should be developed through e.g. dialogue between the market parties, testing and product development, and themed events. The Act on Public Procurement and Concession Contracts also provides for some rarely used procurement procedures, such as dynamic purchasing systems and innovation partnerships. These should also be utilised in the procurement of organic food.

The use of organic food in public catering services can boost a local government's sustainability profile. The use of organic in public professional kitchens should be promoted by encouraging local governments to formulate a local pro-organic food strategy, which would support the inclusion of organic as a contract criterion.

In public and private professional kitchens, organic production must be a viable option. In the school fruit, vegetables and milk scheme, it is important to continue paying a higher support amount for organic products and increasing the proportion of organic products. If all milk in public kitchens were organic, the share of organic raw materials would rise to almost 20%. The Commission's proposal on the reform of the EU's school scheme is expected in 2023. The aim of the reform is to increase the share of organic food. The scheme application procedures should encourage support applications.

Measures to increase the share of organic in professional kitchens

- The added value and ecological benefits of organic production will be made more visible. The benefits of organic production in environmental and climate impacts and animal welfare will be highlighted.
(the Finnish Organic Research Institute, organic associations),

- Organic products and recipes suitable for professional kitchens. Sufficient market availability of organic products in packaging suitable for industrial kitchens. (catering services, producers, food manufacturing businesses, project actors),
- Increasing dialogue across the entire chain to develop domestic organic primary production and products matching the needs of catering services. Increasing awareness of public sector procurement cycles and contracts among wholesalers and food manufacturers. (the entire food chain),
- Improving wholesalers' organic selections and increasing communication about the offering. Encouraging manufacturers and wholesalers to better promote and communicate about organic products and incorporate organic products from SMEs in the wholesale offering in order to improve their availability. (wholesalers, food businesses),
- Increasing the share of organic in the school scheme by simplifying the scheme, increasing the product range and reviewing the support amounts (Ministry of Agriculture and Forestry, Finnish Food Authority),
- Examining how to develop the Portaati Luomuun ("Steps towards organic") programme into a certified system for professional kitchens (professional kitchens, educational institutions, organic associations),
- Developing cooperation and procurement competencies with local authorities to take organic into account in food, local government and procurement strategies (local authorities, procurement organisations, organic associations),
- Regional and municipal objectives for the use of organic products and increasing the use of local organic products in professional kitchens (local authorities, joint municipal authorities, regional councils, organic associations).

3. Increasing the added value and selection of organic food products

Inadequate added value in organic products has been identified as a development target. A large production sector does not guarantee access to organic for consumers. Organic sales will grow as the product range improves, as will the share of organic in professional kitchens. Starting organic processing presents a risk to small manufacturers, because organic products do not yet have an established status in settings such as professional kitchens. Large food manufacturers do not wait long enough for professional kitchens to discover new products, and the marketing of products is inadequate. Long supply contracts in catering services do not allow for rapid uptake of new products into the selection.

Added value must be increased both on the domestic market and in exports. Both large businesses and SMEs should invest in R&D and testing. Product development should be increased, especially for products intended for professional kitchens, because their requirements are different from household products. Cooperation with procurement organisations and catering services is needed. Packaging should be designed for the needs of the target segment and be environmentally friendly.

R&D is also needed in organic food products manufacturing. Important development measures include consumer studies and research in food processing to serve the needs of businesses, and the dissemination of information.

Measures to increase added value

- Increasing contract-based production (the Finnish Cereal Committee VYR, businesses, producer associations, the food manufacturing industry, producer organisations),
- Facilitating contact between food manufacturers, procurement organisations and catering services in market dialogue, procurement and product development (the food manufacturing industry, procurement organisations, producer associations, catering services),
- Taking value-added food production into account in advice and training (advisory organisations, project actors),
- Increasing research in value-added food production (the Finnish Organic Research Institute, universities, the food manufacturing industry)
- Consideration of organic food in value-added food production through regional strategies (local authorities, regional councils, organic associations).

4. Finland to become a significant exporter of organic products

As the organic market is still relatively small in Finland, producing and manufacturing organic products for export can offer new growth opportunities. Increasing exports requires investments and cooperation with operators in the organic sector. In Finland, food companies are small and they have limited resources. Increasing the added value of export products is the clearest route to increased value of exports. Both large businesses and SMEs should invest in innovation, product development and testing.

Finnish businesses are competitive and the growth opportunities in exports are good. Pro-environmental attitudes will likely increase the demand for organic products around the world. In the global market, a greater difference is seen between organic and non-organic offerings. Products suitable for individual export markets should therefore be developed.

It is important to seek continuous improvement in value-added production and sale of products that are increasingly consumer-ready and suitable for professional kitchens.

According to an export report published by the Finnish Organic Food Association in April 2021, the value of organic exports was approximately EUR 50 million in 2020, compared with about EUR 25–30 million in 2018. The value of exports almost doubled in the space of two years. The majority of exports were semi-processed products. Raw materials and branded products both had a share of just over 15%. The export target is €100 million by 2020.

The main export groups are milled products, bread, dairy products, natural products and sweets. Milled products accounted for almost one third of the total Finnish exports in flour and milled products. Organic picking products have particular export potential. Germany has been the most important export destination. Other important countries include Sweden and other Nordic countries, and countries in Central and Southern Europe.

Organic exporters believe in the growth of organic exports, as long as Finnish products remain competitive. With a steady annual growth of 10%, organic exports would already amount to EUR 80 million by 2025.

Measures to double exports

- Increasing the added value of organic raw materials of exports and enhancing cooperation among food business operators (the whole food chain),
- Developing export promotion measures (Finnish Food Authority, Ministry of Agriculture and Forestry, food businesses, Business Finland / Food from Finland programme, Finnish Organic Food Association, Arktiset Aromit)
- Closer cooperation between the sector's actors, active participation by the Finnish Organic Food Association and others in the development of export activities.
- Systematic and collaborative (e.g. the Food from Finland programme and the Finnish Organic Food Association) participation in key international events in the organic sector, such as the BioFach fair in Germany each year in February; identifying other major events
- Trade promotion events and measures specifically for organic products and businesses, joint planning and resourcing for events (Food from Finland and the Finnish Organic Food Association)
- Establishing enterprise groups to facilitate export activity: business clusters and the development and financing of new ecosystems (food businesses)
- Increasing expertise in exports and sales (Business Finland / Food from Finland and the Finnish Organic Food Association)

- Examining possibilities for cost-effective certification in accordance with international organic standards, e.g. BioSwiss (the Finnish Food Authority)

5. Increasing organic production

Organic production has developed differently in different areas in Finland. Many regions have produced reports on the development of organic production, and some regions have formulated a regional development plan. There is interest in organic production across the board, but it does not yet have much visibility in regional development strategies.

Increasing the organic sector from the current 14% by 11% (to 25%) by 2030 requires action. In order to achieve a diverse range of organic food products, production needs to increase in various areas, both in plant and livestock products. Increasing the availability of marketable products is essential for increasing the number of organic product types.

Currently around 60% of organic arable land is grassland. A large grassland area is characteristic of organic production, since it is needed for green manure and helps to reduce the use and production of nitrogen fertilisers. Grasslands are also important in the feeding of organic cattle and sheep. The cultivation of perennial grassland reduces tilling and carbon release. It is especially important in peatlands. Grass plays an important role in preventing nutrient loading in water bodies and erosion of fields during winter. However, it is also necessary to develop organic crop cycles from the perspective of increasing production. There are also issues related to production factors in vegetable and greenhouse production and in the supply of organic seed.

Increasing organic production volumes requires improving farmers' competencies and systematic selection of plant species with a view to the market. Potential exists especially in domestic-animal-based products and in the production of organic oats and proteins. Crop yields per hectare must be improved by developing cultivation methods, and also by developing organic seed production, plant breeding and testing, organic recycled fertilisers and plant protection solutions.

The conditions for organic compensation will emphasise the importance of education and training and the production of organic raw materials. All fields that have passed the transitional stage of conversion to organic are required to grow 30% plants for sale, and after the transition period, farmed animals must be reared according to the organic production requirements. In principle, this aims to enable increasing the volume of organic raw materials production in situations where it is not possible to impose a harvest requirement as a condition for organic compensation payments.

Organic compensation will continue to be paid for organic crop cultivation, and extra compensation will be paid for outdoor vegetable-growing due to its higher production costs. Organic compensation for production animals is paid on the basis of the number of animals. Higher compensation for organic honey production should be paid due to the production costs, which are the highest.

The guidelines for organic greenhouse production which will enter into force at the beginning of 2022 with the new organic regulation will facilitate year-round greenhouse production. The aim must therefore be to double the organic greenhouse-growing area by 2030.

The aim of the new EU organic regulation is to use only organic seed for organic production. In Finland, between 60 and 70 per cent of seeds used on farms is produced organically. If no organic seed is available, farmers may use regular untreated seed with an exemption until the new organic regulation takes effect. The aim is that at least half of the seed used by organic farms is certified organic or at least produced organically on the farm by 2030.

Cooperation among farmers in marketing and input-sourcing must be increased. Producer organisations and other associations can improve market access for organic raw materials. It is difficult for an individual producer to get their products picked up by wholesalers and major food service providers.

Table 4. Volume of area committed for organic production and number of commitments in 2015–2019.

	2015	2016	2017	2018	2019
Total organic production area and no. of commitments					
Total commitment area, hectares	208,867	223,515	245,353	282,704	278,489
Total number of organic commitments	3,857	4,030	4,244	4,648	4,606
Number of organic commitments by type					
Commitment to organic production, no.	3,045	3,163	3,326	3,691	3,615
Commitment limited to organic outdoor vegetable production*, no.	9	10	9	9	7
Commitment to organic livestock production, no.	803	857	909	948	983

* Commitments apply to part of the farm. Compensation for outdoor cultivation is also paid under other commitments where applicable.

About EUR 60 million was paid under the organic production measure in 2020. During the forthcoming programming period, the organic compensation is expected to increase to EUR 397 million, and the annual compensation would thus be approximately EUR 70–78 million.

Organic beekeeping is an important part of organic production and could increase the market share of domestic honey production. The changes to organic legislation will result in significant difficulties for pollination services. Production costs are higher than in non-organic production due to e.g. the high price of organic sugar used in winter feeding, and the high price and wood-frame requirement of the organic wax foundation.

Table 5. The proportion of organic beekeepers and colonies by 2020
(Source: Finnish Beekeepers' Association SML)

	all	organic	share of organic %
beekeepers	3,100	75	2.4
bee colonies	70,000	6,190	8.8

Measures to increase production volumes:

- Organic payment to farmers encourages the production of organic raw materials for the market in accordance with the CAP strategy (Ministry of Agriculture and Forestry),
- The funding of the organic compensation in line with the objective as part of the CAP strategy (Ministry of Agriculture and Forestry),
- Development of cultivation practices and increasing farmers' competencies and collaborations through research, education and advice (advisory organisations, producer associations, the Finnish Organic Research Institute),
- Investigating bottlenecks in outdoor and greenhouse growing, especially with regard to the growing media in greenhouses and plant protection/nutrient issues in outdoor cultivation (the Natural Resources Institute),
- Doubling the production of organic seed and seedlings. Establishing trials for organic varieties. (Finnish Food Authority, Natural Resources Institute),
- Development of recycled fertilisers suitable for organic production (operators in the sector),
- Raising awareness of the new EU organic legislation (Finnish Food Authority, Ministry of Agriculture and Forestry, ELY Centres for Economic Development, Transport and the Environment)

- Encouraging the establishment of producer organisations (Ministry of Agriculture and Forestry, Finnish Food Authority),
- developing cooperation among farms, e.g. producer organisations (Ministry of Agriculture and Forestry, organic and advisory organisations),
- motivating farmers to use organic seed (advice, producer and organic associations),
- advice and research to promote organic beekeeping, especially in areas that are naturally suitable (Ministry of Agriculture and Forestry, Natural Resources Institute, SML, advisory services, producer and organic associations)
- increasing the support paid to organic beekeepers per hive (Ministry of Agriculture and Forestry)

6. Growing the organic picking sector

According to the external evaluation, organic picking was overlooked in the previous organic programme. Organic berries, mushrooms and herbs and tree sap have significant export potential that is largely untapped. Organic picking products could become part of Finland's country brand. A road map for growing the organic picking sector is currently in development.

The demand for Finnish natural products is high, and further growth is possible especially in export markets. In practice, natural products cannot be marketed and exported before the product has been certified as organic. Domestic manufacturing industries which use natural products are significant users of Finnish natural products such as organic berries and other organic raw materials, but other natural products are also becoming important. Professional kitchens are also a great marketing channel for organic picking products, and there is especially demand for the Finnish products in professional kitchens.

Organic picking products come from designated and controlled organic picking areas. Organic picking operations and related controls are based on the EU's organic regulation, and the Finnish Food Authority is responsible for producing guidelines for organic picking. Basic requirements include identification and traceability of product origin. The EU Regulation 834/2007 on organic production and the new regulation 2018/848, which will enter into force at the beginning of 2022, both require organic picking areas to be qualified as organic in advance. According to the Finnish Food Authority's statistics, a total of 4.5 million hectares of organic picking area was verified and certified as organic in 2019. In 2020, the area was 5.5 million hectares. The area increased by 22 per cent year-on-year, which is an excellent result.

However, not all woodland in Finland is suitable for organic picking. Woodlands are fertilised and stumps are treated with (urea) substances that are not permitted in organic production. In addition, forest ownership is fragmented especially in southern Finland, and it is difficult – impossible in some places – to establish larger picking areas. The Finnish Forestry Centre and the Ministry of Agriculture and Forestry have introduced a facility for woodland owners to express their willingness to undergo organic woodland certification via the Metsään.fi online service. The facility was introduced in 2019. However, the service needs further development, and awareness among forest owners about organic certification needs to be increased. Cooperation between forest owners and businesses selling natural products needs to be developed. The use of organic picking products will increase as the organic food product selection grows.

The Marsi statistics indicate the volume of berries and mushrooms sold to shops and their purchase prices, but there is very little data about processed products and sales. Statistical data on organic picking should be developed.

Table 6. Share of organic in berries sold to shops 2015–2019

	2015	2016	2017	2018	2019
bilberry	18.1	59.3	22.8	57.8	11.6
lingonberry	6.9	13	5.6	4.7	8.0
cloudberry	66.3	38.1	58.6	57.7	-

Measures to increase organic picking area:

- Investigating the possibilities and most cost-effective means of compiling information from various forest ownership databases for organic certification based on the forest data standard (actors in the sector),
- Communication and marketing measures to increase awareness among forest owners about organic production and possibilities (the Natural Resources Institute’s Lume project on organic woodland production).
- Strengthening and developing cooperation among authorities, landowners and operators in the picking and processing sector (actors in the sector, the Finnish Food Authority),
- Developing guidelines for organic picking based on the new organic regulation (Finnish Food Authority, operators in the sector),
- Development of certification. Investigating the possibilities of group certification for organic picking operations (the Finnish Food Authority),

- Redeveloping the Metsään.fi service to better facilitate registration in organic control, and making more extensive use of forest data in this context (Ministry of Agriculture and Forestry, Forestry Centres, Finnish Food Authority, Centres for Economic Development, Transport and the Environment),
- Developing statistics on organic picking (Natural Resources Institute, Finnish Food Authority, operators).

7. Developing organic aquaculture

The European Commission has set a target for a significant increase in organic aquaculture by 2030. Several obstacles to the development of organic aquaculture in Finland have been identified. EU legislation does not facilitate organic production in recirculating aquaculture systems, fry and fingerling needed for organic production are not available domestically, and there is a disease risk involved in importing live material. In addition, national regulations on fish-farming limit the nutrient content of feed and the resultant specific loading (nutrient loading / kg of fish produced), and thus do not allow the use of organic feed currently available. The Ministry of Agriculture and Forestry and the Ministry of the Environment have proposed changing the environmental permits of fish-farming into emission-based permits. It would incentivise environmental innovations and enable transitioning to organic fish-farming. At least algae have significant potential for culinary and feed uses. Some research on the use of algae as feed has been carried out in Finland. Organic fish sales in Finland are minimal due to limited supply, but demand is clearly increasing. In addition to the domestic market, the export potential of organic aquaculture products should also be investigated.

Measures for the development of organic aquaculture

- Mapping possibilities for starting organic aquaculture and creating conditions to facilitate production (Ministry of Agriculture and Forestry, Ministry of the Environment, Natural Resources Institute, actors in the sector)
- Researchers should be encouraged to apply for EU Horizon research and innovation funds (Natural Resources Institute, Organic Research Institute).

8. Developing research and competencies, and increasing the provision of advice and information about organic

Competence development starts with education. Basic knowledge of organic topics should be included in the upper secondary and higher education curricula. Training

for new employees in the food processing sector should include an introduction to the specific requirements of organic products. More cooperation between the administrative branches of agriculture and education is needed in order to develop education.

Existing advice services are not adequate for the needs of organic operators, as they have to pioneer organic production methods. Organic producers prefer mentoring and counselling in small groups. Field visits, product demonstrations and other peer-learning events are popular ways of disseminating new information. A comprehensive range of advisory services must be made available across the country and extended so as to also cover food manufacturers and organic picking products.

The AgriHub support network for farm enterprises was launched at the start of 2021 to provide advisory services, research and training in the field. The aim of the network is to promote the competitiveness and regeneration of farm enterprises. It can be used to disseminate information that can help farm enterprises succeed. The network also increases cooperation between the agriculture and education administrative branches. The possibilities of digitalisation must be taken into account.

Organic research is needed to support the development of the organic sector and increase consumers' awareness of the requirements and methods of organic production to support informed consumer choices. The Organic Research Institute research strategy for 2021–2024 to support the development of the Finnish organic sector was published at the beginning of 2021. The strategy's all-encompassing theme is "organics in the future". The fields of research include organic primary production, environmental impact, food and nutrition, and society and markets. The strategy aims for interdisciplinary research. Follow-up studies on the effectiveness of CAP should also include studies on the environmental and climate impacts of organic production. The Finnish Organic Research Institute encourages farmers and businesses to participate in research projects in order to strengthen organic production as part of the food system and make the findings available to businesses. Cooperation with organic advisory services is important to ensure extensive use of research data.

Measures to develop research and competencies and increase the provision of advice and information:

- Inclusion of basic information about organic in the curricula of upper secondary vocational education and higher education institutions (vocational and higher education institutions)
- Increasing cooperation between the agricultural and educational administration (AgriHub, Ministry of Agriculture and Forestry, Ministry of Education and Culture, educational institutions)

- Rapid dissemination of the findings of organic research for use by farms and businesses (Natural Resources Institute, Organic Research Institute)
- Pilots and experiments for the fast deployment of research findings (Natural Resources Institute, advisory organisations, educational institutions)
- Increasing the requirements on training and education in organic compensation (Ministry of Agriculture and Forestry)
- Ensuring high-quality advice on organic in production and business advisory services (advisory organisations)
- Expanding advisory services to cover food manufacturing and organic picking (advisory organisations)
- Increasing the competencies of organic food SMEs and increasing advice on product R&D (advisory organisations)
- Dissemination of good practices and examples, producer stories, successes (entire food chain)
- Use of EU research and innovation funds and EIB Agri funds (Organic Research Institute, universities, project actors).

9. Legislation and development of control

EU legislation on organic production has been reformed. The EU regulations on production and controls will apply from 1 January 2022. There are changes to production rules, for example in greenhouse and livestock production. Provisions on the control and certification of organic production also contain entirely new elements, such as group certification for small operators, the monitoring of low-risk operators and the certification requirement for certain retailers. The act on the supervision of organic production (294/2015) will be amended to meet the requirements of the new EU regulation. A government proposal on the amendment will be submitted in autumn 2021.

On the basis of the new EU organic regulation, the Finnish Food Authority will formulate new conditions for organic production for operators, including the minimum requirements and control procedures. Representatives of primary production and food manufacturing industries and authorities involved in the control chain will be invited to participate in the drafting of the guidelines. The aim is to make the conditions easier to read and less open to interpretation in terms of compliance.

Control measures will be developed to meet the requirements of organic legislation and the EU regulation on controls. They enable some new procedures in the organisation and task allocation of control measures. The use of electronic communications tools used in the administrative sector will be developed for control tasks, and customers will be able to interact with the authorities through electronic applications. The Finnish Food Authority

will continue to liaise closely with ELY Centres and train organic inspectors to harmonise the implementation of the conditions on organic control. The Finnish Food Authority audits businesses and organic inspectors.

Organic food is an attractive target for fraudulent activities for branding reasons and due to the varying availability of raw materials. Falsely labelling products as organic is an increasingly common form of food fraud. The advancement of the organic sector relies on consumer confidence in organic production. It is therefore important to identify effective ways to prevent organic fraud. EU legislation on organic production requires Member States to take the necessary measures and provide for sanctions to prevent fraudulent use of organic labelling. Cooperation between authorities is vital in combating fraud. Authorities should be able to access data from a range of sources, and share information and identify fraudulent activities.

Compliance checks and the traceability of products play an important role in the development of the organic sector. Data processing is an increasingly vital part of reliable organic production. Efficient collection, collation and transfer of data across the organic production chain is important. Enhanced data processing by using e.g. data-compiling software and mobile GPS-based applications and augmented reality applications could help reduce workload, facilitate more precise targeting of risk-based controls and enable the development of a remote control system.

Measures:

- Developing the organisation and quality assurance of official controls (Ministry of Agriculture and Forestry, Finnish Food Authority)
- Group certification (Ministry of Agriculture and Forestry, Finnish Food Authority),
- Developing and increasing the use of electronic control methods (Finnish Food Authority, Centres for Economic Development, Transport and the Environment, authorised inspectors),
- Conditions of organic production (Finnish Food Authority Guidelines) formulated in cooperation with the industry (Finnish Food Authority, Centres for Economic Development, Transport and the Environment),
- Implementing a programme to prevent fraud in organic products (Ministry of Agriculture and Forestry, Finnish Food Authority),
- Investigating current needs related to data processing in the organic sector. Targeting development and innovation funds to improve the efficiency of data processing in organic production from farm to fork (Ministry of Agriculture and Forestry).

10. A detailed action plan, indicators and monitoring

The organic programme is implemented within the framework of central government spending-limit decisions and central government budgets by allocating resources accordingly.

A detailed action plan with specific actions and indicators for the coming years and cost estimates for achieving the objectives will be produced in the second half of 2021 in cooperation with the organic sector. At the same time, interim targets for 2027 will be set. The Ministry of Agriculture and Forestry coordinates the implementation of the action plan.

The targets will be monitored regularly based on the indicators. Every two years, a seminar will be organised for the administration and actors of the organic sector to review progress in each objective. If necessary, the action plan will be adjusted to better support the objectives.



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