POLICY SUMMARY:

GOVERNMENT SUPPORT FOR ACCESS TO ORGANIC INPUTS

OVERVIEW

This policy summary provides recommendations on why and how to enhance access by producers to organic inputs. It outlines options for providing this support, followed by examples from various countries.

SUMMARY OF POLICY OPTIONS

Governments can facilitate producers' access to inputs through a range of policy approaches including:

- Increasing the supply and diversity of inputs through support for research and development of new organic inputs.
- Directly producing and/or distributing inputs to farmers.
- Exempting inputs from taxes and/or import duties. Subsidizing farmers to purchase inputs.

RATIONALE

Use of organic inputs (e.g. seeds, pest control, soil conditioners) contributes to environmental goals in agriculture and may also contribute to the goal of a safe and healthy food supply. Organic inputs often substitute for a range of chemical inputs from treated seed to highly toxic pesticides. Reduction of chemical inputs is one of the most direct policy interventions to address sustainability in agriculture. Furthermore, although organic products are subject to background pollution, residue tests on organic products show them to have consistently and significantly lower levels of detectible pesticide residues. Availability of organic inputs at affordable prices significantly benefit producers in organic systems, but they can be used also in conventional farming to reduce overall chemical load. This has been demonstrated well in conventional systems that have adopted integrated pest management. On the other hand, insufficient organic inputs to address agronomic needs are a key deterrent to conversion of farmers to organic agriculture systems.

SCOPE

This policy measure is particularly suitable when organic agriculture is just emerging and its infrastructure, including for inputs, must be developed before there is widespread uptake of organic farming. However, the measure is suitable at all stages of organic sector development, although implementation strategies may change over time as the sector develops.

POLICY OPTIONS

Increasing the supply and diversity of inputs through support for research and development of new organic inputs:

Governments can support research and development of organic inputs through grants to companies and/or academic researchers for development of new inputs. This strategy can be general support for input development or specifically aimed at developing inputs to address specific challenges of organic agriculture in the region.

Increasing the access of producers to existing inputs by directly producing and/or distributing them to farmers:

Some governments take on the role of direct suppliers of organic inputs to farmers. Inputs such as vermi-cultures (worm populations), organic seeds/seedlings and bio-controls (beneficial insects) are produced at government or government-contracted facilities, and distributed to farmers through local government systems either for free or at reduced cost. Distribution is often linked with training for farmers on using the input in their farming system. This policy option is especially appropriate for situations where organic agriculture is just emerging and farmers will need to be strongly supported to develop capacity and resources to convert to organic systems.

Exempting organic inputs from taxes and/or import duties:

Commercial organic inputs may be identified and a tax exemption given to sale on the side of the seller (e.g. value-added tax), or on the side of the buyer (e.g. sales tax) or both. This would serve to incentivize production and purchase of organic inputs. Organic inputs, especially those identified as commonly imported and critical to organic agriculture in the country, may be exempted from import duties (e.g. agricultural lime for conditioning acidic soils in a country where domestic sources are not available).

Subsidizing farmers to purchase or produce organic inputs:

The subsidy may be in the form on an initial grant for facilities and equipment for on -farm input production. It could also be in the form of an ongoing subsidy e.g. cost-sharing reimbursement for the purchase of organic inputs.

COUNTRY EXAMPLES

Tunisia: By presidential decree in 2007 organic farming equipment and inputs e.g. bio-controls became exempt from value-added tax and custom duties. The Tunisian government also funds the Vegetables Inter-professional Group that collaborates with the national center for organic agriculture (CTAB) to develop improved vegetable seeds and coordinate breeding programs aimed at enhancing organic vegetable production. It also partners with CTAB to support compost production activities and testing of organic inputs.

France: France's action plan, Ecophyto, aims to reduce pesticide use nationwide by 50% in the period 2008 to 2015. One measure in this plan provides investment support for the development of biocontrols. Its objective is to catalyze the emergence of innovative French companies in this field. A parallel support for the development of natural alternatives to antibiotics in livestock production was established in another French action plan, Ecoantibio 2017.

India: Sikkim is one of several Indian provinces providing substantial support for access to organic farm inputs and related services. Examples of inputs provided by the Sikkim program to farmers are:

- structures for pit composting and vermi-composting;
- worm cocoons and worms;
- locally adapted strains of biofertilizers e.g. azolla (an aquatic fern), oil cake, effective microorganisms for compost, which is produced in government facilities;
- training of famers on organic fertility management and pest control e.g. vermi-composting, using bio-controls;
- seeds for green manure;
- mineral amendments at free or subsidized rates;
- producing and releasing bio-control agents.

Mexico: The federal government subsidizes 50% of the total cost of permitted organic inputs (with an upper limit of EUR 9,700 for the 2015 year). The states of Chiapas, Oaxaca, Michoacán, Jalisco and the federal district of Mexico City have also subsidized the production of organic inputs, particularly compost.

Nepal: the Ministry of Agriculture started in 2015 an organic fertilizer subsidy program. Farmer groups and cooperatives that have constructed cow shed and vermi-compost facilities can receive subsidy of up to EUR 200 per farmer from the District Agriculture Development Offices. Farmers who purchase organic

fertilizers (whether dust, pellets or vermi-compost) can receive a subsidy of around 82 €/ton of fertilizer to a maximum of 1,5 ton.

Philippines: Organic Agriculture Act of 2010 mandated that the governments at the regional and local levels, establishes production facilities for bio-inputs and provides no-cost or subsidized inputs to producers. Between 2011 and 2016 these governments established, maintained and upgraded 746 organic input production facilities. They also distributed more than 199,000 kg of organic seeds, 233,000 planting materials, 1,100 MT of organic fertilizers, and 4.4 million units of biocontrol agents. Worms have been given to thousands of households to start home-based vermicomposting facilities. The government also distributed thousands of organic animals, including organic fish fingerlings and brood stock.

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