POLICY BRIEF #6

January 2026

Closing the organic delivery gap:

Policy levers for stronger organic supply chains

Introduction

Europe can hit 25% organic area in 2030 and still fall short on what policymakers and organic stakeholders and citizens actually desire: resilient food supply, lower food waste, credible green claims, and competitive rural value chains. Organic is not just a farming choice—it also applies to supply chain development.

Organic growth is constrained not by farm willingness alone, but also by value-chain frictions in planning, logistics, processing capacity, and fair risk-sharing. When processors cannot place the full product-mix, when retailers keep margins high, or when public catering buys "green" without clear standards, organic producers face volatile demand and the quiet killer: downgrading to conventional outlets and prices. Perishable food chains are especially exposed: weak cold-chain and fragmented logistics turn organic premiums into waste and volatility.

Organic farming's delivery of public goods is supported particularly by transparent, coordinated, and investable downstream markets. The current focus of support strategies on area targets and farm payments underestimates the importance of the missing middle (processors, retailers, catering), margins and bargaining power, and infrastructure for storage, aggregation, and digital logistics.

Summary

- The current focus on area-based targets and support underestimates the importance of how value chains can constraint sector growth through weak coordination, limited processing and aggregation capacity, and lack of transparency.
- If markets cannot absorb added supply reliably, demand signals are uncertain, logistics are fragmented, and organic products risk downgrading to conventional. If margins are squeezed, and investments in conversion become harder to justify, especially for smaller operators.
- Levers for supply sector development include creating a market pull, improve fairness in contracts, margins and risk sharing, invest in processing and aggregation, especially for perishable fresh and livestock products, and improve coordination and data sharing.
- Closing these "delivery gaps" is essential for organic sector growth as well as reaching wider policy goals—competitiveness, rural development, health, climate and biodiversity.

Key findings

Experts converge on a pragmatic agenda. Results from the OrganicTargets4EU Delphi survey show voluntary actions alone will not scale organic. Experts favour the regulation of green claims (see policy brief #7 Consumers), making market margins visible, using public procurement with criteria or targets for organic as a stable demand anchor, and integrating these with targeted CAP and investment support; lower VAT rates on organic products were also raised.

Collaboration is still too weak where it matters most. Research on organic supply chains finds low collaboration—especially on cost-benefit sharing—while more integrated chains collaborate more on decision synchronisation. Risk management is a strong trigger for closer coordination.

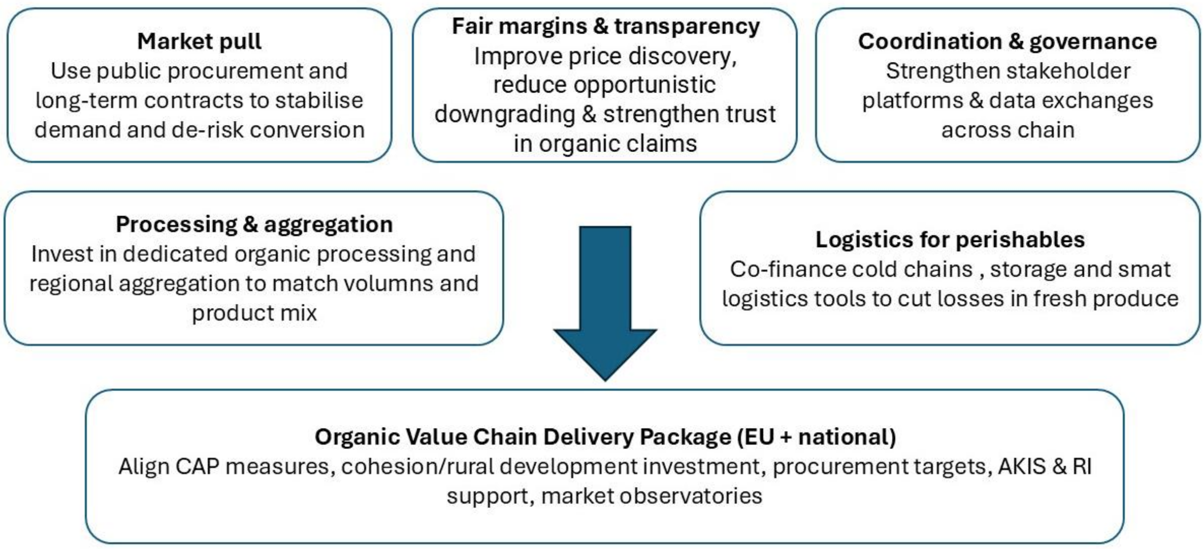
Margins and bargaining power can block conversion. The Delphi survey and prior studies indicate that higher downstream margins on organic products can push up consumer prices and/or squeeze farmgate prices, weakening both consumer demand and farmers' willingness to convert. Credible price and volume commitments are therefore essential to encourage organic conversion.

Market-pull works when targeted. Modelling confirms that demand shocks and product-mix bottlenecks create downgrading and stop-start investment. Targeted public procurement and smarter assortment strategies can absorb hard-to-place volumes and stabilise the chain.

Perishability is often a structural constraint. In organic fruit and vegetables, but also dairy chains, time-sensitive logistics and storage capacity often determine market access. Aggregation centres, cold-chain investments and digital matching tools reduce waste and transaction costs—especially for small and mid-size producers.

Innovation must fit organic identity. Innovation uptake depends on acceptability across the whole chain; "unnatural" innovations face strong resistance, while welfare- and resource-efficiency innovations gain support. Co-design and transparency matter as much as technology.

Five levers for the development of organic supply chains[1]



[1] Authors' elaboration based on:
Naspetti S, et al. (2011). 'Organic Supply Chain Collaboration: A Case Study in Eight EU Countries'. *Journal of Food Products Marketing* 17 (1-2): 141-62. https://orgprints.org/id/eprint/21645/;
Nicholas P et al. (2014). Innovations in low input and organic dairy supply chains – what is acceptable in Europe? *Building Organic Bridges* (Vol. 4, pp. 1167–1170). https://doi.org/10.3220/REP_20_1_2014;
Kowalska & Bieniek (2022). 'Meeting the European Green Deal Objective of Expanding Organic Farming'. Equilibrium. *Quarterly Journal of Economics and Economic Policy* 17(3):607–33. https://doi.org/10.24136/eq.2022.021;
OrganicTargets4EU reports Cisowski & Serre (2024) and Schiavo (2025) (see Further information).

Development needs and challenges

Research points to six practical development needs:

- **Stable demand anchors**: stringent criteria and targets for public procurement and predictable contracts that reduce conversion risks.
- **Transparent and fair markets**: fairer margins and stronger checks on misleading green claims.
- **Better chain coordination**: shared demand forecasting, joint planning and data exchange across actors, allowing volumes alignment with market demand.
- **Fit-for-purpose processing and aggregation**: capacity that matches organic volumes and product-mix, preventing downgrading.
- **Logistics infrastructure** for perishable organic goods: storage, cooling, aggregation points, and digital inventory tools to reduce post-harvest loss.
- **Innovation and skills that protect trust**: co-designed R&I and advisory support aligned with organic principles.

Policy recommendations

The market for organic products has been important for the sector's development since the 1990s, supported by a clear legal basis in the EU organic regulations. With many benefits from organic farming accruing to society at large, continued public investment in the sector is justified. This must be balanced with the market's capacity to sustain long-term engagement, with benefits for farmers, consumers, and society at large (see also policy briefs #1 Drivers and barriers and #7 Consumers).

The aim for organic value chain development should be to create and strengthen diverse marketing channels reaching a wide range of consumers and citizens in line with organic values and principles.

Support investment in the development of organic processing and marketing infrastructure

- **EU/national policymakers**: prioritise investment support for organic processing and marketing facilities, farm shops, catering, agritourism with favourable eligibility (including for transition) focused on livestock (suitable scale and locations) and cold chains for perishables and fresh produce.
- **EU policymakers/national actors**: support supply chain aggregation and logistic hubs, producer groups accessing local retail and catering, and transnational networks of organic processing facilities and slaughterhouses using the European Competitiveness Fund.

Strengthen the transparency and efficiency of organic supply chains for quality and affordability

- **EU/national policymakers**: support organic producer organisations (CMO Reg.), co-operatives, and supply chain integration involving organic organisations in co-designing to scale.
- **National actors:** encourage secure, longer-term contracting and supply agreements to rebalance risks, improve traceability, secure producer incomes, and encourage fair cost sharing (e.g., through piloting margin dashboards), improve market development capacity in the organic sector to enable effective collaboration with retailers and processors of organic food and strengthen organic principles in value chains.

Exploit public procurement to grow demand for organic food and citizen engagement

- **EU policymakers:** review Green Public Procurement guidelines and use the EU CAP Network to share best practice, develop common monitoring principles to showcase the value of organic food, and develop appropriate criteria for the use of certified organic products with verifiable sustainability impacts compatible with product sourcing regulations.
- **National policymakers:** encourage the use of organic food in public procurement, with clear threshold targets (e.g., Bronze, Silver, Gold), advice and training for actors, procurement pilots and best practice handbooks for schools and hospitals.

Encourage regional marketing, short supply chains, and bio-districts, more directly linking producers and consumers

- **EU policymakers:** encourage MS to develop bio-districts and regional action plans to develop local organic markets including for gastronomy and agritourism.
- **National policymakers**: support more diverse marketing channels similar to public procurement.

Enable organic suppliers to engage with intra-EU and international trade

- **EU policymakers**: encourage a focus on organic in export initiatives and trade agreements.
- **National policymakers**: support organic in export promotion (trade fairs, international marketing action, cross-border exchanges), potentially using the proposed European Competitiveness Fund, and provide information on compliance issues (organic and customs).

Improve the availability and quality of organic market information and data to support decision-making in business and policy and encourage new investment in the sector

- **EU policymakers**: collate data from organic projects (outcomes, best practice examples), possibly using the EU CAP Network, support the development of relevant interoperable data collection standards and coordination projects (see policy brief #10) and institutional capacity development such as market observatories (policy brief #12).
- **National policymakers**: encourage the participation of value chain actors in AKIS (policy brief #8).

Further information

Cisowski F & Serre J (2024). *Report on Delphi expert interviews on value chain changes and business strategies*. Deliverable D4.2 OrganicTargets4EU. IFOAM Organic Europe. https://orgprints.org/id/eprint/55776/

Schiavo M. (2025). *Modelling results of socio- economic impacts in the organic value chains*. Deliverable D4.3 OrganicTargets4EU. IFOAM Organic Europe. https://orgprints.org/id/eprint/56759

Lampkin N & Padel S (2026). *Policy recommendations for the delivery of the organic F2F targets by 2030 and beyond* Deliverable D 7.1 OrganicTargets4EU. IFOAM Organic Europe. https://orgprints.org/id/eprint/10862.

OrganicTargets4EU policy briefs: https://organictargets.eu/policy-briefs/.

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