Labels

Farmers can have their products or production processes certified through recognized labels. These labels serve as information tools for consumers, signalling adherence to sustainable and climate-smart farming practices. Displaying such labels helps enhance the farmer's credibility in the marketplace and gain recognition for environmental commitments, potentially leading to price premiums or other favourable market conditions.

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Tier 1	Monetary
Tier 2	**Labels**
Tier 3	
Description	In the context of Climate Farm Demo (CFD), labels serve as informational tools that communicate the environmental services delivered by farmers and the agricultural sector to consumers. By guiding consumer choices toward more sustainable consumption patterns, labels can influence demand and support climate-conscious food systems. For farmers, certification through labelling acts as a market incentive, increasing visibility and credibility by demonstrating compliance with recognized sustainability and climate standards. Labelling not only enhances the credibility of environmental claims but also opens up new market opportunities for those committed to carbon farming practices.
References	- Schulze, C., Bui, S., Magrini, M.-B., & Lamine, C. (2024). *Between farms and forks: Food industry perspectives on the future of EU food labelling. Ecological Economics*, Elsevier BV. https://doi.org/10.1016/j.ecolecon.2023.108066 - Glogoveţan, A., Gherheș, V., & Sălăgean, T. (2022). *Consumer perception and understanding of European Union quality schemes: A systematic literature review. Sustainability*, MDPI AG. https://doi.org/10.3390/su14031667 - Tiboni-Oschilewski, O., Abarca, M., Pierre, F. S. R., Rosi, A., Biasini, B., Menozzi, D., & Scazzina, F. (2024). *Strengths and weaknesses of food eco-labelling: A review. Frontiers in Nutrition*, 11. https://doi.org/10.3389/fnut.2024.1381135

Advantages	Disadvantages
Labelling facilitates the differentiation of sustainably produced agricultural goods, enabling farmers to distinguish their products within the marketplace (Schulze, C., et al., 2024).	Annual renewal fees for certification schemes can be expensive, especially for smallholder farmers, and may sometimes exceed the financial benefits gained from participation (ADA, 2022).
To meet labelling requirements, farmers are encouraged to adopt sustainable and innovative farming methods, helping them stay competitive and avoid losing market position (Tiboni-Oschilewski, O., et al., 2024).	Meeting and maintaining certification requirements often demand considerable investment in farm infrastructure and ongoing efforts to remain compliant, which can be challenging for farmers with limited resources (ADA, 2022).
Labelling and certification can lead to financial benefits, such as higher prices or access to premium markets, offering farmers an extra source of income (ADA, 2022).	The monitoring, reporting, and verification (MRV) of sustainability claims can be both costly and complicated, creating barriers to wider adoption and scaling carbon farming practices.
	Farmers may face long-term responsibilities if certified practices do not deliver the expected environmental benefits, particularly when outcomes are affected by factors beyond their control, such as adverse weather or climate variability

Example Labels: Demeter

Tier 1:	Monetary	Supportive	Regulatory
Tier 2	Labels		
Tier 3			
Example	Demeter		
Summary	The Demeter certification seeks to improve soil conditions, protect the environment, increase biodiversity, implement animal welfare, and produce high- quality products, ensuring that the entire production process follows the principles of biodynamic farming. This certification has strict requirements and is a guarantee for consumers that they are supporting farming practices that go beyond conventional organic standards.		
Type of climate action	**Carbon removal**	**Emission reduction**	Climate adaptation
Appropriate for: Who can benefit from this type of rewarding mechanism (in the agricultural sector?)	- Farmers - Farm advisors - Value chain actors		
Source of rewarding mechanism: Who provides the rewarding mechanism?	Public	**Private**	Public-Private
Rewarding method: What is the reward based on?	Action-based		
Type of on-farm action: What is the recipient obliged to deliver in return?	Meeting the requirements of the certification		
Recipient requirements: What requirements must the recipient meet to receive finance?	- Contact the certifying agency (different in each country) - Apply for the Demeter membership - Comply with the “Conversion for farmers” period (unusually 3 years): meet specific biodynamic agriculture standards - Inspection and get the certification		
Timing of rewarding: When is the reward received?	Ex-ante and ex-post		

Rewarding timeline: How often is the reward received?	Ongoing
Governance: Who manages the programme, provides the reward, and where does the money come from?	- International Demeter Biodynamic Standard - Biodynamic Federation DemeterInternational e.V.
References:	- Biodynamic Federation Demeter. (2024). *Demeter – Biodynamic certification.* Retrieved from https://demeter.net/ - Jaeger, S. R., Jin, D., McRae, J., & Lai, J. (2023). *Consumer insights about sustainable and 'beyond organic' agriculture: A study of biodynamics in the United Kingdom, Australia, Singapore, and Germany. Journal of Cleaner Production*, Elsevier BV. https://doi.org/10.1016/j.jclepro.2023.136744

Example Labels: Bioland

Tier 1:	Monetary	Supportive	Regulatory
Tier 2	**Labels**		
Tier 3			
Example	Bioland e.V.		
Summary	Bioland is a German organic farming association that promotes sustainable agriculture and environmentally friendly food production. With more than 9,000 organic farms, beekeepers and winegrowers in Germany and South Tyrol, it operates according to seven basic principles integrated in its certification process. This certification process is recognised for exceeding EU organic standards, guaranteeing high sustainability and product quality. However, its rigorous certification requirements and bureaucracy pose difficulties for farmers. To support this transition, Bioland offers training, networking and marketing opportunities. Its label covers the entire value chain, ensuring compliance with biodiversity and sustainability guidelines.		
Type of climate action	**Carbon removal**	**Emission reduction**	Climate adaptation
Appropriate for: Who can benefit from this type of rewarding mechanism (in the agricultural sector?)	- Farmers - Farm advisors - Value chain actors		
Source of rewarding mechanism: Who provides the rewarding mechanism?	Public	**Private**	Public-Private
Rewarding method: What is the reward based on?	Action-based		
Type of on-farm action: What is the recipient obliged to deliver in return?	- Following the seven Bioland principles: - Implementing Circular economy - Promoting soil fertility - Ensuring animal welfare - Producing valuable food - Promoting biodiversity - Preserving natural resources - Securing a liveable future for people		

Recipient requirements: What requirements must the recipient meet to receive finance?	- Contact Bioland e.V. to express interest. - Undergo an initial assessment to evaluate farm potential and readiness for certification. - Complete on-site inspections and audits. - Enrol as a Bioland member. - Implement Bioland guidelines and standards. - Participate in training programs and workshops
Timing of rewarding: When is the reward received?	Ex- ante and ex-post
Rewarding timeline: How often is the reward received?	Ongoing
Governance: Who manages the programme, provides the reward, and where does the money come from?	Bioland e.V.
References:	- Bioland. (2024). *Bioland – Verbraucherinformation*. Retrieved from https://www.bioland.de/verbraucher - Bioland. (2024). *Bioland-Richtlinien 18./19.* Retrieved from https://www.bioland.de/fileadmin/user_upload/Verband/Dokumente/Richtlinien_fuer_Erzeuger_und_Hersteller/Bioland-Richtlinien_2024-11.pdf