Organic markets in Developing countries: Case studies and lessons learned

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Content

1. Organic market development challenges, questions

2. Case studies:
   a. Lebanon
   b. Cuba
   c. India
   d. Thailand

3. Conclusion: Learn from success, failures and challenges
Are consumers and farmers really able to meet their interests?

Consumers

Corporations, Supermarkets, brokers

Dictate prices and conditions

Farmers

Products are organic, but markets are "conventional"

Source: Felicia Echeverria
Presented at UNCTAD Geneva, Oct 2007
How farmers gain access to the organic market?

- Good quality
- Competitive prices
- Constant supply
- Compliance with organic standards
- Efficient organization and logistics
- Organic certification

Big challenges and burdens for small farmers in developing countries

Is that all? NO!

The growing markets ask for:

- larger quantities
- more professional services
- lower prices
- more certificates...

After all this efforts:

- still only few cash crops with premium prices
- And who is developing local markets?
- How can we make organic markets work for poor countries in Africa, Asia and Latin America?
Lebanon: Support specialities for local and export market

- Product range development for local and export
- Positioning
- Networking
- Supply chain management
- Demand driven quality and volumes

Lebanon: Marketing strategy and lessons learned

- United forces make possible larger steps
- Consumers with low purchasing power give importance to quality
- Most consumers cannot afford to pay high prices
Organic fruit project in Cuba:
Plantations & diverse Agroforestry

- Double green revolution: Produce with local resources
- Human resources: excellent knowledge and experiences
- Positive image (landscape, people, culture etc.)
Organic fruit project in Cuba: Challenges

- Production: limited resources, low yields, inconsistent
- Logistics: poor in remote areas; loss of harvest
- High certification costs limits organic in diverse agroforestry
- Market for all organic products
- Local market: lack of awareness, no quality differentiation
- Climate change: hurricanes, new diseases

Who gets the benefits of organic agriculture?
Protagonist shares of the consumer’s expenditures for organic NFC in USD 1998

India Organic Market Development Project

India Organic Trade Fair 2008
November 27th to 30th, New Delhi
www.iccoa.org
http://indiaorganictradeairs.com
Indian Organic Farmers Producer Company IOFPCL

- Local buyer
- Exporter/Importer
- International buyer
- 8500 farmers and groups
- Processors

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Thailand: Develop export markets

- Supply availability and stability: developing innovative OMIs
- Product quality is crucial.
- Competitive prices, optimum price/quality-ratio
- Excellent communication and advanced services
- Long term-partnership: Trust, reliability and long term-partnership
Thailand: Develop local markets

- Create awareness, information campaigns, regional labels
- Market intelligence, business directories etc.
- Bring market actors together via networking, trade fairs, food festivals
- Support creative organic market initiatives
- Promote local certification and cost-effective participatory guarantee systems
- Create locally adapted framework

Conclusion 1: Farmers = Entrepreneurs

- Success: Farmers think & act like entrepreneurs:
  - Produce agricultural goods
  - Processing / value adding
  - Offer Individual marketing services
  - Collective marketing (organic market initiatives)
  - Networking (regional, national, international)

- This diversification generates a restructuring of the farm and of the commercial chain
Conclusion 2: Create added value

Fair trade certification only a provisional solution!

Create real added value:

- processing (instead of raw material)
- cultural products (buy local, story behind)
- ecological (low input, greenhouse gas-neutral, water-saving, biodiversity etc.)
- socio-economical (food security, better income for all stakeholders of the value chain).

Conclusions 3: Success factors OMI’s
### Conclusion 4: Lessons for Market development action plans (selection)

| Main driving force for government action plans: export potential | > Address positive image for a country  
| > Develop domestic markets  
| > Manage contradictory policies, and competing ministries |
| Actions for domestic markets copied from export | > Locally adapted awareness creation and support of trade and production |
| Legislation main concern of action plans | > Framework is not solving deficiencies in production and trade > main support |
| Certification still expensive | > Develop local certification and standards |
| Lack of awareness and knowledge on all levels | > Awareness creation, capacity building of producers, processors, trading companies, government sector |
| Weak market penetration | > Marked development programmes and projects with all tools |

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### Thank you for your attention

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