Development of Domestic Organic Market through State Support
- Czech Republic Case Study

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Deputy Minister
Organic farming

Very successful concept worldwide as well as within the CR.

In the CR based mainly on the EU legislation (Reg. No. 2092/91 EC, 834/2007 EC) as well as national legal framework (Act. No. 242/2000)
History

- First organic farms in the CR shortly before 1989
- Boosted by interest in „healthy farming“
- Rules given by org. farmers associations and advisors (f.e. Pro-Bio) – no state-run system
History

- 1991 -1993 – first state (financial) support for organic investments
- 1993 – agreement between state and farmers association, common national logo and production rules, still no legislative framework
History

• 1998 - state support through agroenvi measures (still in place)
• 1.1.2001 – organic farming act coming into force
• 2001 – inclusion on the EU third countries list (Czech organic system recognized as compatible with EU system)
National Action Plan

• 2004 – National Action plan approved
• Main goal: 10% of organic land in 2010
• Present state: 8% in 2008, the goal is achievable and realistic
## Number of organic farms

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of farms</th>
<th>Organic area (ha)</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>3</td>
<td>480</td>
<td>---------</td>
</tr>
<tr>
<td>1995</td>
<td>181</td>
<td>14 982</td>
<td>0,35</td>
</tr>
<tr>
<td>2000</td>
<td>563</td>
<td>165 699</td>
<td>3,86</td>
</tr>
<tr>
<td>2005</td>
<td>829</td>
<td>254 982</td>
<td>5,98</td>
</tr>
<tr>
<td>2008 (30.6.)</td>
<td>1 766</td>
<td>333 727</td>
<td>7,84</td>
</tr>
</tbody>
</table>
Organic Farms


Počet ekofarem

MINISTERSTVO ZEMĚDĚLSTVÍ ČESKÉ REPUBLIKY
Acreage of organic land (ha)

- 2005: 250,000 ha
- 2006: 300,000 ha
- 2007: 350,000 ha
- 30.6.2008: 300,000 ha

The acreage of organic land has been steadily increasing from 2005 to 30.6.2008.
Share of organic land (%)
Development of domestic market

• No direct support for organic processors until 2007
• Consumer demand relatively low until 2004 – no increase in number of organic processors
• No export oriented market, nevertheless 60% of bioproducts imported
# Number of organic processors

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of processors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>75</td>
</tr>
<tr>
<td>2005</td>
<td>125</td>
</tr>
<tr>
<td>2006</td>
<td>152</td>
</tr>
<tr>
<td>2007</td>
<td>253</td>
</tr>
<tr>
<td>2008 (30.6.)</td>
<td>375</td>
</tr>
</tbody>
</table>
Bioproduct producers

Počet výrobčů biopotravin

Financial support for farmers

At national and EU level
• 1990s-2004 pre-accession funding
• 2004-2006 HRDP (increased funding)
• 2007-2013 Rural Development Plan (EU) with its agroenvironmental measures (broader opportunities for farmers)
Financial support (agri envi measure)

<table>
<thead>
<tr>
<th>Culture</th>
<th>Payment (EUR/ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arable land</td>
<td>155</td>
</tr>
<tr>
<td>Permanent pastures</td>
<td>71 (89)</td>
</tr>
<tr>
<td>Permanent cultures</td>
<td>849</td>
</tr>
<tr>
<td>Vegetables and herbs</td>
<td>564</td>
</tr>
</tbody>
</table>
Advantage in investment measures (Axis I and III)

Axis I
Modernizing of agriculture holdings
Addition of value of basic agricultural and forestry production
Support of young farmers

Axis III
Diversification of non agricultural activities
Support of (agri) tourism
Development of domestic market

• Boosted from 2005
• Organic processors supported through Rural Development Plan 2007 – 2013 (investment projects in Axis I)
• Supported by state promotion activities inducing consumer demand
Main promotion activities

• Promotion campaign from 2008 till 2010 (50% co-financing from EU funds)
• Includes billboards, advertisement, road shows, web page, media outputs etc.
Main promotion activities

• September – „The month of organic farming“ since 2005
• Including press conference, web page (promotion of particular regional activities)
International cooperation

• IFOAM
• FiBL
• CORE organic
• Etc.
Summary: how to create domestic biomarket

• By setting baseline (rules, control and certification system) – harmonisation with EU legislation advisable
• Supporting organic farmers (payment for organic area)
• Creating consumer demand, educating consumers, promotion activities
• Supporting organic processors (since 2007 in CR)
Thank you for your attention

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