

This study documents recent developments in global organic agriculture. Apart from statistics on the area under organic management and on organic farming, this publication also contains general information on the current status of organic agriculture about the continents as well as the global organic market, certification, standards and regulations.

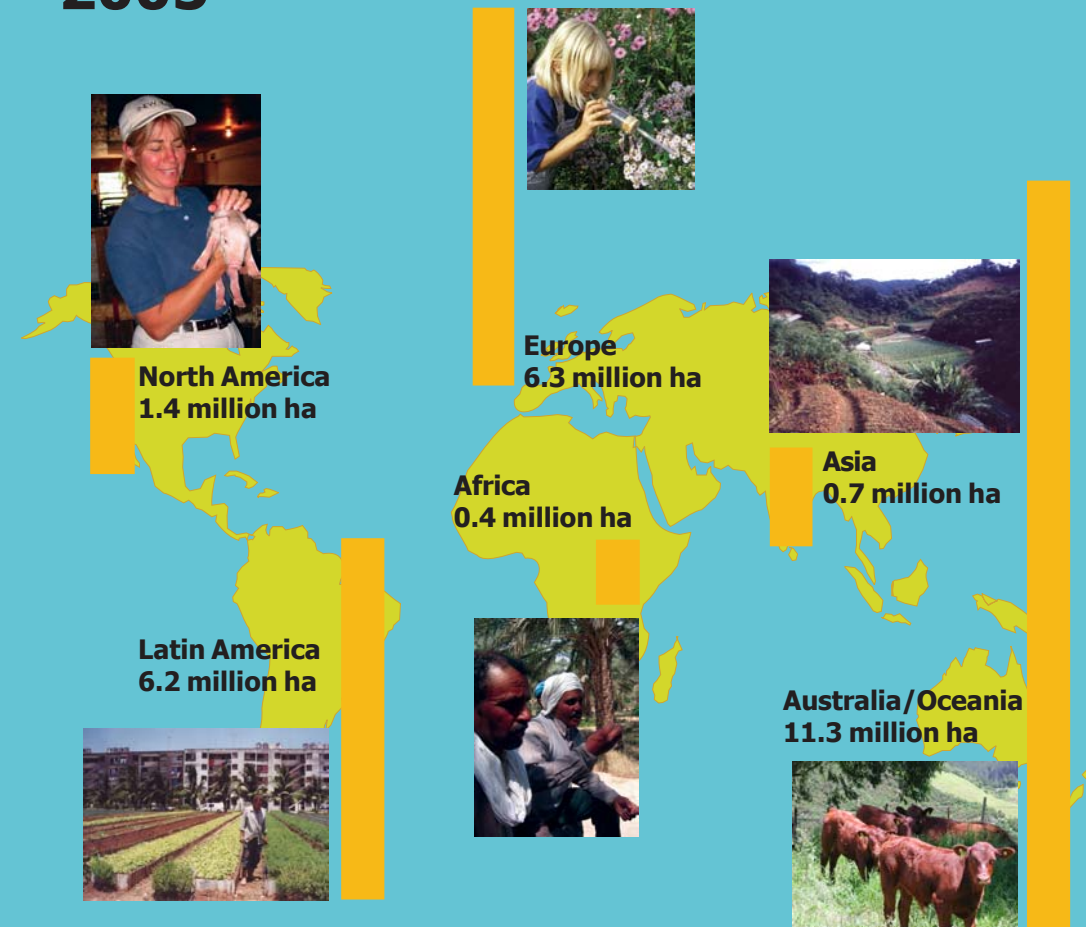
Organic farming is practised in more than 100 countries, and more than 26 million hectares are managed organically worldwide. Of this total, 43.3 % is in Australia , followed by Europe (23.8 %) and Latin America (23.5%). The market for organic products is growing, not only in Europe and North America, but also in many other regions. It is valued at 25 million USD (2003).

For the seventh edition of this study, February 2005, the reports were newly written or revised and the statistical material was updated. An extensive chapter on sustainability of organic farming as well as on the milestones in the organic sector in the previous year were added.



Helga Willer and Minou Youssefi (Eds.)

The World of Organic Agriculture Statistics and Emerging Trends 2005



About IFOAM

IFOAM's mission is leading, uniting and assisting the organic movement in its full diversity. Our goal is the worldwide adoption of ecologically, socially and economically sound systems that are based on the principles of Organic Agriculture.

Leading the organic movements worldwide, IFOAM implements the will of its broad based constituency - from farmers' organizations to multinational certification agencies, ensuring the credibility and longevity of organic agriculture as a means to ecological, economic and social sustainability.

Uniting the organic world, IFOAM provides platforms to stakeholders for a wide range of purposes. Through international conferences, committee meetings, and other forums, IFOAM facilitates the ongoing and constructive dialogue about the future and status of organic agriculture.

Assisting its membership, IFOAM implements specific projects that facilitate the adoption of organic agriculture, particularly in developing countries. IFOAM also represents the organic agriculture movements at United Nations and other intergovernmental agencies. IFOAM has observer status or is otherwise accredited by the following international institutions:

- The Food and Agriculture Organization of the United Nations (FAO)
- United Nations Conference on Trade and Development (UNCTAD)
- Codex Alimentarius Commission (FAO & WHO)
- United Nations Environment Program (UNEP)
- The Organization for Economic Cooperation and Development (OECD)

IFOAM's major aims and activities are:

- To provide authoritative information about organic agriculture, and to promote its worldwide application
- To exchange knowledge
- To represent the organic movement at international policy making forums
- To establish, maintain and regularly revise the international "IFOAM Basic Standards" as well as the "IFOAM Accreditation Criteria for Certifying Programmes", published together as the 'IFOAM Norms'
- To make an agreed international guarantee of organic quality a reality via the IFOAM Accreditation Program and Seal.
- To build a common agenda for all stakeholders in the organic sector, including producers, farm workers, consumers, the food industry, trade and society at large

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The World of Organic Agriculture. Statistics and Emerging Trends 2005

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Preface

Organic agriculture has rapidly developed worldwide during the last few years. Because of the continued interest in the facts and figures about the development of organic agriculture, we herewith present the seventh edition of the study “The World of Organic Agriculture” documenting recent developments in global organic farming.

A lot of additional information to the study (e.g. links, graphs etc.) is available from the internet at www.soel.de/oekolandbau/weltweit.html. Information about organic farming around the globe is provided at www.ifoam.org.

We are very thankful to the authors for contributing in depth information on their continent, their country or their field of expertise. We are also grateful to numerous individuals from all over the world, who helped us with valuable information.

We would like to thank all those who have collaborated with the publication of this study as well as Minou Yussefi and Helga Willer for compiling information and for the editorial work. We gratefully acknowledge the help of Mike Mitschke, who compiled the most recent figures.

We are also grateful to Neil Sorensen for the technical editing, for proofreading and for coordinating the production of this book.

Many thanks are due to Christine Neidhardt (ec menta) and Heike Slotta from NurembergFair, the organiser of BioFach, who financially supported this as well as earlier editions of this study.

We would greatly appreciate the submission of comments or supplemental information for the next edition to helga.willer@fibl.org.

Bad Duerkheim / Frick / Bonn, February 2005

Dr. Uli Zerger	Dr. Urs Niggli	Bernward Geier
Director SOEL	Director FiBL	IFOAM-Director for International Relations

1 Introduction

*Minou Youssefi*¹

General Overview

In 1999, BioFach/Oekowelt GmbH commissioned the Foundation for Ecology & Agriculture (SOEL) to compile statistical data and general information on organic agriculture worldwide. Since then, this study has been revised annually, and the newest figures are regularly presented at BioFach, which takes place in Nuremberg, Germany, every year. Since the 2003 edition, the Research Institute of Organic Agriculture FiBL and the International Federation of Organic Agriculture Movements IFOAM have collaborated on this project.

For the seventh edition, February 2005, the reports were newly written or revised (except for Africa) and the statistical material was updated. An extensive chapter on the milestones in the organic sector in the previous year was added.

The main findings can be summarised as follows:

Organic agriculture is practised in almost all countries of the world, and its share of agricultural land and farms is growing. The total organically managed area is more than 26 million hectares worldwide.

In addition, the area of certified “wild harvested plants” is at least a further 14.5 million hectares, according to various certification bodies.

The market for organic products is growing, not only in Europe and North America (which are the major markets) but also in many other countries. It is estimated that worldwide sales have expanded by 7-9 percent to reach US\$ 25 billion in 2003.

Official interest in organic agriculture is emerging in many countries, shown by the fact that many countries have a fully implemented regulation on organic farming or are in the process of drafting regulations.

Methodology

In a survey undertaken between October and December 2004, experts from IFOAM member organisations including the authors of this book, certification bodies and other institutions were asked to contribute statistics on the organic area and number of farms. Additionally, an internet search and a literature search were carried out (see *Information Resources*).

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For many countries it is still difficult to find precise and up-to-date figures on the state of organic farming in individual countries, although it has become easier compared to when we started the survey in 1999. But still, in many cases no figures were available at all.

For this study, all continent reports were written by experts from the respective regions. As long as state interest in organic agriculture is low, statistical information on organic agriculture rarely exists. In order to get a complete picture of the state of certified organic farming all over the world, a survey among all organic certifiers would need to be undertaken.

Information Resources

Institutions

International Federation of Organic Agriculture Movements IFOAM

The International Federation of Organic Agriculture Movements IFOAM, the international umbrella organisation of organic agriculture organisations, has about 750 members in approximately 100 countries, which are listed in its membership directory (IFOAM 2005). For this study, IFOAM members from all countries and many certification organisations as well as other institutions were asked for data about area and farms in their countries. These experts are listed in the tables at the end of the continent chapters.

IFOAM's conference proceedings and the magazines "Ecology & Farming" and "Oekologie & Landbau" (SOEL magazine, which is also the German organ of IFOAM) are very useful sources of information on organic agriculture worldwide.

The IFOAM homepage www.ifoam.org also provides useful information about organic farming worldwide.

Food and Agriculture Organisation FAO

The FAO offers vast information on organic agriculture at the internet page www.fao.org/organicag/default.htm. The article "Factors influencing organic agriculture policies with a special focus on developing countries" which can be downloaded from the FAO internet site gives a good overview of organic agriculture worldwide.

Studies and Handbooks

Food and Agriculture Organisation (FAO)

In 2002, FAO published the study "Organic Agriculture, Environment and Food Security", a 250-page book on organic agriculture worldwide (background and statistical information).

Information on the global market is available from the study “World Markets for Organic Fruit and Vegetables”, published 2001 jointly by the International Trade Centre ITC, the Food and Agriculture Organisation FAO and the Technical Centre for Agricultural and Rural Co-operation CTA (2004).

FiBL/Naturland/Sippo Handbooks

The Handbook “The Organic Market in Switzerland and the EU”, published by the Swiss FiBL and Sippo offers market information for producers and international trading companies, organised both by product group and by country. In addition, the handbook provides an easily accessible overview of the import requirements applicable in Switzerland and the EU. In an appendix, the handbook contains official forms and an extensive collection of addresses (trading companies, authorities, certification bodies, organisations etc.) and websites.

The “Handbook Organic Cocoa, Coffee and Tea” was published by the same publishers and Naturland in January 2002.

Greenpeace

In 2002, Greenpeace published the study “Organic and Agro-ecological farming in the Developing World”, written by Nicolas Parrot and Terry Marsden. This very interesting study provides extensive information on the current status of organic and, what the authors call, “agro-ecological” or non-certified organic agriculture. The situation of organic farming in the countries of Africa, Asia and Latin America is described. Further themes are the questions of productivity and sustainability, natural methods of enhancing soil fertility, controlling pest and diseases, markets, certification and politics. This study is available from the internet, and it can also be ordered from the IFOAM Head Office.

International Trade Centre (ITC) and United Nations Conference on Trade and Development (UNCTAD)

In 1999, the International Trade Centre (ITC) published its study “Organic Food and Beverages: World supply and major European Markets”. The aim of this study is mainly to inform developing countries about the market potential of organic products from their countries for the organic markets worldwide.

The 271-page study covers world market trends, and contains chapters on market requirements, distribution channels, market access and market opportunities in Denmark, France, Germany, Netherlands, Sweden, Switzerland and the United Kingdom. The study is also a unique collection of information about the organic farming situation in almost every country of the world.

On the organic farming homepage of the International Trade Centre individual aspects covered in the study are expanded and updated. For further info see www.intracen.org/mds/sectors/organic/welcome.htm.

In 2004, the United Nations Conference on Trade and Development (UNCTAD) published a compendium on “Marketing Organic Tropical Produce” with input from FiBL on a broad range of themes. The book covers the production, certification and conditions for market access of organically produced fruit and vegetables in the tropics. It contains information for producers and international trading companies alike, and shows how developing countries can boost their production and export capacities. The 330-page book is in English and is available for download free of charge.

Magazines

Oekomarkt Forum

The monthly information Bulletin of the German ZMP “Oekomarkt Forum” has a news information service for international developments in organic agriculture. A lot of the statistical information, especially for developing countries, was taken from this newsletter. Much of this information was originally supplied by the Organic Trade Services (www.organicts.com) or by the North American Organic Trade Association (OTA, www.ota.com).

The Organic Standard

In 2000 “The Organic Standard”, a magazine concerned with international certification was launched. “The Organic Standard” provides regular and up-to date information on issues regarding organic farming worldwide. The Swedish certifier “Grolink” publishes it. A trial issue can be ordered via the internet at www.organicstandard.com.

Websites

FASonline

The “Organic Perspectives Newsletter” contains reports on organics from around the world gleaned from U.S. attaché reports, trips made by FAS staff, and other sources. The newsletter also covers items of interest about the U.S. national organic program and the domestic organic industry. A list of upcoming conferences, trade shows and other events is included in every issue (www.fas.usda.gov/agx/organics/attache.htm and www.fas.usda.gov/agx/organics/organics.html).

Organic Monitor

Extensive market and general information on organic farming in Europe and worldwide is also provided at www.organicmonitor.com.

Organic Trade Services

The Organic Trade Services offer extensive trade information. The information is available at www.organicts.com.

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2 Current Status of Organic Farming Worldwide

*Minou Yussefi*²

Global Overview

Organic agriculture has developed rapidly worldwide during the last few years and is now practised in approximately 110 countries of the world. Its share of agricultural land and farms continues to grow. Furthermore, it can reasonably be assumed that uncertified organic farming is practised in even more countries.

The Foundation Ecology & Agriculture SOEL has collected data about organic farming worldwide every year since 1999. Since the publication of the 2003 results the Research Institute of Organic Agriculture FiBL and IFOAM have collaborated in the project.

According to the latest survey, more than 26 million hectares are currently managed organically by at least 558,449 farms world-wide (see table 1, 2 and 3). The market for organic products is also growing, not only in Europe and North America (which are the major markets) but also in many other countries, including several developing countries (see chapter 3). Currently, the countries with the greatest organic areas are Australia (11.3 million hectares), Argentina (2.8 million hectares) and Italy (more than 1 million hectares) (see figure 1). The percentages, however, are highest in Europe (see figure 2). In total, Oceania holds 43 percent of the world's organic land, followed by Europe (23.8 percent) and Latin America (23.5 percent) (see figure 3). As most of the organic land area in Australia and Argentina is extensive grazing land, the global area dedicated to arable land is probably less than half. The proportion of organically compared to conventionally-managed land, however, is highest in Europe. Latin America has the greatest total number of organic farms (see figure 4).

The continued increase in the organic land area is not just due to the ever-greater interest in organic farming, but also a result of improved access to information and data collection each time the study is updated.

The seventh edition of the study includes figures for the area of certified 'wild harvested plants', which adds at least another 14.5 million hectares, according to various certification bodies.

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Organic Farming Worldwide

Australia/Oceania

This area includes Australia and New Zealand as well as smaller countries like Fiji, Papua New Guinea, Tonga and Vanuatu. Altogether, more than 11.3 million hectares and 2,170 farms are under organic management here. Most of this area is pastoral land for low intensity grazing in Australia. Therefore, one organic hectare in Australia is not directly equivalent to one organic hectare in Denmark, for example, due to its level of productivity.

Important areas of production include fruit and vegetables, which are produced all year around, and dairy products (a rapidly growing sector), rice, wool, herbs, wine, vegetable seed and sheep meat. In Australia, growth in the organic industry has been strongly influenced by rapidly growing overseas demand. The key market for export of Australian organic products is Europe, in particular Germany, The Netherlands and United Kingdom, accounting for over 70 percent of Australian organic exports. The government has taken a keen interest in supporting the organic sector largely because it recognises the export potential. The same applies to New Zealand. However, there are no subsidies for organic agriculture in either country. Australia has had national standards for organic and biodynamic products in place since 1992, and it is one of the countries on the third country list of the European Union. While these standards are only enforced for export products, they do act as an informal standard domestically. The term 'organic' is not protected in the domestic marketplace, and widespread use of the term for uncertified products creates consumer confusion. In New Zealand, a National Organic Standard was launched in 2003, underpinning the various certification schemes that already exist. New Zealand is also on in the EU-third country list.

While trends of rising consumer demand for organics are becoming discernible, the organic food market in Australia is still considered a niche market. On the domestic market, organic produce receives a substantial price premium over that of conventionally grown produce. Since the demand for organic products is often greater than the available local supply, Australia is an importer of organic food. However, imports are mostly of processed grocery lines, such as coffee, pasta sauces, olive oil, soy drink, and preserves, primarily from the United Kingdom and the USA.

Latin America

In Latin American, many countries have more than 100,000 hectares of organic land, and having started from a recent low level, are now experiencing extraordinary growth rates. The total organically managed and certified area is now 6.2 million hectares, with an additional 10.6 million hectares certified as

'wild harvested' areas. Almost all Latin American countries have an organic sector, though the level of development varies widely. The countries with the highest proportion of organic land are Uruguay, Costa Rica and Argentina. A major part of the 2.8 million organic hectares in Argentina are extensive grassland.

In general, the organic movement in Latin America has grown through its own efforts. No government provides direct subsidies or economic aid for organic production. Costa Rica and some others have official funding for research and teaching, Argentina and Chile have had official export agencies helping producers attend international fairs and print product catalogues, and in Mexico there is a growing interest from national and state agencies. In places, there has been seed funding for extension and association building from international aid agencies, especially from Germany, the Netherlands and Switzerland.

Export is still the main organic activity in Latin America. From the coffee grains and bananas of Central America, to the sugar in Paraguay and the cereals and meat in Argentina, the trade of organic produce has been mostly oriented towards foreign markets.

Europe

Since the beginning of the 1990s, organic farming has rapidly developed in almost all European countries. Growth has, however, slowed down recently. In Europe almost 6.3 million hectares were managed organically by almost 170,000 farms. In the European Union (including the new member states) almost 5.7 million hectares are under organic management, and there are more than 143,000 organic farms (per 31.12.2003). This constitutes 3.4 percent of the agricultural area and 1.5 percent of the farms in the EU. A major development in the European Union in 2004 was the launch of the European Action Plan for Organic Food and Farming.

There are also substantial differences between individual countries regarding the importance of organic farming. More than 12 percent of agricultural land is organic in Austria, and ten percent in Switzerland. Some countries have yet to reach one percent. The country with the highest number of farms and the greatest number of hectares is still Italy. Almost one fifth of the EU's organic land and more than a quarter of its organic farms are located here.

North America

In North America, almost 1.5 million hectares are managed organically, representing approximately a 0.3 percent share of the total agricultural area. Currently, the number of farms is more than 15,000. With the US national rule in place, the organic sector has been able to provide a guarantee to consumers

that organic products using the new labelling mean that specific practices were followed. The US market has seen more and more organic products being introduced, the number of certification agencies accredited by USDA has grown, and talks are progressing to expedite international trade of organic products. Since 1999, the Canadian industry has had a voluntary Canada Organic Standard that is not supported by regulation. The organic industry continues to devote its energies toward implementation of a mandatory national organic regulation to help expedite trade relations with such major trading partners as the United States, European Union, and Japan.

The North American market for organic products is reporting the highest growth worldwide. Organic food and drink sales were estimated to have expanded by 20 percent in 2003 to reach US \$ 10.8 billion. Consumer demand for organic products remains buoyant and the region is expected to account for most global revenues in the foreseeable future.

Asia

In Asia, the area under organic management is comparatively small, but increasing rapidly. Among the more significant countries producing organic products are China, India and Indonesia as well as Japan. For many countries, no precise figures are available. The total organic area in Asia is now about 736,000 hectares, managed by 66,000 farms. Additionally, 2.9 million hectares are certified as 'wild harvested' areas.

Lack of certification and lack of organic regulation is leading to consumer confusion in many Asian countries. Most organic products are certified by foreign certification agencies, although China, Israel and Japan have their own certification bodies. Organic rules are already in place in a number of Asian countries including India, Japan, Korea Taiwan and Thailand. Organic rules tend to be mandatory in importing countries and voluntary in exporting countries. Only Israel has attained equivalency status with the regulation of the EU.

The Japanese market for organic food and drink is the most important in the Asian region. Emergent domestic markets in China, Malaysia, Philippines, Singapore and Thailand are maintaining growth trends. The range of marketing channels is diverse, as are market conditions from rural India to Tokyo, including ad hoc organic bazaars, small retail shops, supermarket shelves, multi-level direct selling schemes and internet marketing. Exports are still largely composed of fresh produce and low-value commodity crops. Recently, aquaculture, particularly shrimp farming, is becoming popular, with projects in China, Indonesia, Thailand and Vietnam.

Africa

In Africa, organic production is rarely certified and this year the problems in obtaining new figures were even stronger than in the previous years. Nevertheless, organic farming is increasing in Africa, especially in the southern countries. An important growth factor in Africa is the demand for organic products in industrialised countries. Another motivation is the maintenance and building of soil fertility on land threatened by degradation and erosion. More than 435,000 hectares and 118,000 farms are now managed and certified organic. Additionally, 242,000 hectares are certified as 'wild harvested' areas. With a few exceptions (notably Egypt and South Africa), the African market for organic produce is very small. This is due both to low-income levels and an undeveloped infrastructure for inspection and certification. Most certified organic production in Africa is geared towards export markets, with the large majority being exported to the EU, which is Africa's largest market for agricultural produce. At present, Tunisia is the only African country with its own organic (EU compatible) standards, certification and inspection system. Egypt and South Africa have both made significant progress in this direction; both have two certifying organisations and are well on the way to developing standards.

The data shown in the following tables includes fully converted land as well as "in conversion" land area.

Table 1: Land area under organic management

Organic Hectares	
Australia	11,300,000
Argentina	2,800,000
Italy	1,052,002
USA	930,810
Brazil	803,180
Uruguay	760,000
Germany	734,027
Spain	725,254
UK	695,619
Chile	646,150
France	550,000
Canada	516,111
Mexico	400,000
Bolivia	364,100
Austria	328,803
China	298,990
Czech Rep.	254,995
Greece	244,455
Ukraine	240,000
Sweden	207,488
Bangladesh	177,700
Denmark	165,148
Finland	159,987
Peru	150,000
Uganda	122,000
Portugal	120,729
Hungary	113,816
Switzerland	110,000
Turkey	103,190
Paraguay	91,414
Kenya	90,000
India	76,326
Romania	75,500
Ecuador	60,000
Tanzania	55,867
Slovakia	54,478
Poland	49,928

Organic Hectares	
Latvia	48,000
South Africa	45,000
Netherlands	41,865
Estonia	40,890
Indonesia	40,000
New Zealand	40,000
Norway	38,176
Kazakhstan	36,882
Tunisia	33,500
Colombia	33,000
Japan	29,151
Ireland	28,514
Belgium	24,163
Lithuania	23,289
Slovenia	23,280
Dominican Rep.	22,151
Morocco	20,040
Zambia	20,000
Ghana	19,460
Rep. of Korea	18,936
Egypt	17,000
Venezuela	16,000
Sri Lanka	15,215
Serbia/Montenegro	15,200
Guatemala	14,746
Costa Rica	13,967
Thailand	13,900
Nicaragua	10,750
Cuba	10,445
Cameroon	7,000
Russia	6,900
Vietnam	6,475
Iceland	6,000
Israel	5,640
Panama	5,111
El Salvador	4,900
Papua New Guinea	4,265

Organic Hectares	
Croatia	3,530
Philippines	3,500
Azerbaijan	2,770
Senegal	2,500
Pakistan	2,009
Luxemburg	3,002
Belize	1,810
Honduras	1,769
Algeria	1,400
Jamaica	1,332
Bosnia Herzegovina	1,113
Liechtenstein	984
Lebanon	758
Malaysia	600
Bulgaria	437
Sudan	430
Malawi	325
Syria	260
Suriname	250
Iran	200
Fiji	200
Benin	197
Albania	192
Mauritius	175
Cyprus	166
Madagascar	130
Guyana	109
Togo	90
Nepal	45
Zimbabwe	40
Laos	35
Malta	14
Bhutan	13
Jordan	7
SUM	26,458,270

Source: SOEL Survey, February 2005

Table 2: Land area under organic management in percent of total agricultural area

% of Agricultural Area		% of Agricultural Area		% of Agricultural Area	
Liechtenstein	26.40	Uganda	1.39	Brazil	0.23
Austria	12.90	Belize	1.30	Azerbaijan	0.22
Switzerland	10.27	Canada	1.30	USA	0.22
Finland	7.22	Bolivia	1.04	Lebanon	0.20
Italy	6.86	Rep. of Korea	1.03	Egypt	0.19
Sweden	6.80	Ukraine	0.78	Ghana	0.16
Greece	6.24	Ecuador	0.74	Cuba	0.16
Denmark	6.20	Iceland	0.70	Mauritius	0.15
Czech Rep.	5.97	Japan	0.66	Tanzania	0.14
Slovenia	4.60	Sri Lanka	0.65	Nicaragua	0.14
Estonia	4.59	Ireland	0.65	Cyprus	0.12
UK	4.42	Lithuania	0.60	Croatia	0.11
Germany	4.30	Dominican Rep.	0.60	Senegal	0.10
Uruguay	4.00	Romania	0.51	Cameroon	0.09
Norway	3.68	Peru	0.48	Indonesia	0.09
Portugal	3.17	Papua New Guinea	0.41	Pakistan	0.08
Costa Rica	3.11	Paraguay	0.38	Vietnam	0.08
Spain	2.84	Mexico	0.37	Thailand	0.07
Australia	2.48	Kenya	0.35	Zambia	0.06
Slovakia	2.43	Guatemala	0.33	China	0.06
Netherlands	2.17	El Salvador	0.31	Honduras	0.06
Luxemburg	2.00	Poland	0.30	India	0.05
Hungary	1.94	Serbia/Montenegro	0.30	South Africa	0.05
Latvia	1.92	Suriname	0.28	Fiji	0.04
France	1.86	Jamaica	0.26	Philippines	0.03
Belgium	1.73	Colombia	0.24	Guyana	0.01
Argentina	1.70	Panama	0.24	Bulgaria	0.01
Chile	1.50	New Zealand	0.24	Malawi	0.01

Source: SOEL Survey, February 2005

Table 3: Organic farms worldwide

Organic Farms		Organic Farms		Organic Farms	
Mexico	120,000	Ecuador	2,500	South Africa	250
Indonesia	45,000	Thailand	2,498	Lebanon	164
Italy	44,043	Norway	2,466	Croatia	130
Uganda	33,900	Zambia	2,425	Bangladesh	100
Kenya	30,000	Poland	2,304	Slovakia	100
Tanzania	30,000	Argentina	1,781	Bosnia Herzegovina	92
Peru	20,000	Netherlands	1,522	Ukraine	70
Austria	19,056	Portugal	1,455	Albania	60
Spain	17,028	Rep. of Korea	1,451	Luxembourg	59
Germany	16,476	Slovenia	1,429	Bulgaria	58
Brazil	14,003	Australia	1,380	Laos	55
Turkey	13,044	Hungary	1,255	Cyprus	45
Morocco	12,051	Latvia	1,200	Liechtenstein	43
USA	11,998	Romania	1,200	Ethiopia	35
France	11,377	China	1,050	Guyana	28
Bolivia	6,500	Vietnam	1,022	Nepal	26
Switzerland	6,445	El Salvador	1,000	Malta	20
Greece	6,028	Ireland	889	Iceland	20
Cuba	5,222	Dominican Rep.	819	Russia	15
India	5,147	Czech Rep.	810	Malawi	13
Mozambique	5,000	New Zealand	780	Jamaica	12
Finland	4,983	Estonia	746	Zimbabwe	10
Japan	4,539	Lithuania	700	Fiji	10
Colombia	4,500	Belgium	688	Jordan	4
UK	4,017	Tunisia	580	Venezuela	4
Costa Rica	3,987	Egypt	500	Mauritius	3
Denmark	3,510	Philippines	500	Syria	2
Sweden	3,363	Uruguay	500	Sudan	1
Canada	3,317	Pakistan	405	Togo	1
Sri Lanka	3,301	Israel	400	Iran	1
Senegal	3,000	Benin	359	Kazakhstan	1
Honduras	3,000	Azerbaijan	310	Kyrgyzstan	1
Guatemala	2,830	Madagascar	300	SUM	558,449
Paraguay	2,827	Chile	300		

Source: SOEL Survey, February 2005

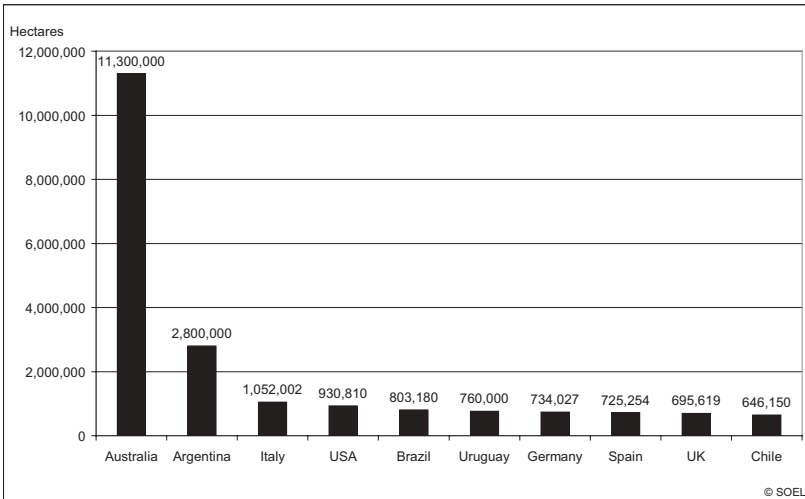


Figure 1: The ten countries with the largest area under organic management

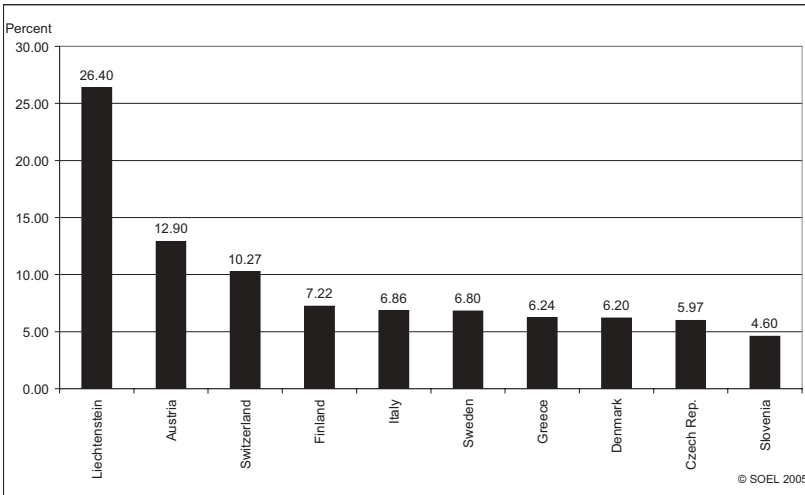


Figure 2: The ten countries with the highest percentage of land area under organic management

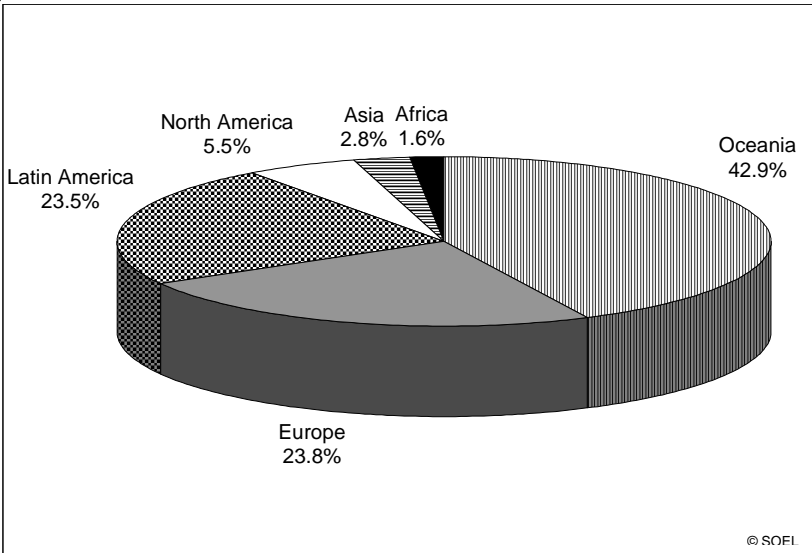


Figure 3: Total area under organic management – share for each continent

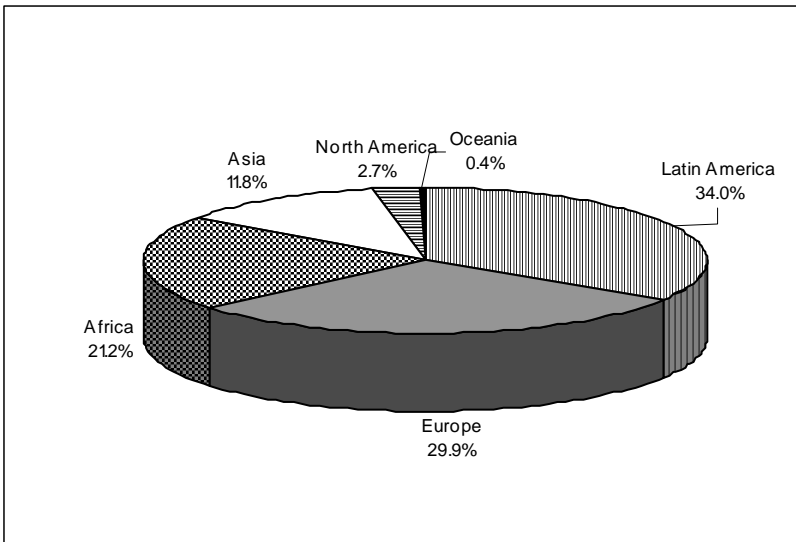


Figure 4: Total number of organic farms – share for each continent

3 Overview of the Global Market for Organic Food & Drink

*Amarjit Sahota*³

3.1 Introduction

Sales of organic food & drink continue to increase across the globe. Worldwide sales were estimated to have expanded by 7 to 9 percent to reach 25 billion US \$ in 2003. Much of the growth has been observed in the northern hemisphere, namely North America and Western Europe. However, production and demand for organic products is also increasing significantly in Australasia and Latin America.

Western Europe overtook North America to have the largest market for organic food & drink in 2003. This leadership position is more due to the depreciation of the US Dollar than higher market growth rates. The Western European market for organic products was valued at 13 billion US \$, comprising 51 percent of global revenues. The two regions account for the bulk of global revenues with 96 percent share. Other regions, although showing high growth rates in percentage terms, still account for a small share of total revenues. This is expected to change in the coming years, as demand for organic foods becomes global and organic products become more widely available.

3.2 Western Europe

The market for organic food & drink was valued at 13 billion US \$ in 2003. This is a significant rise from 10.5 billion US \$ in 2002. The value of the European market has increased by 20 percent in one year because of the appreciation of the Euro against the US Dollar. In real terms, the European market expanded by about five percent in 2003.

Growth rates varied country to country with most reporting 5 to 7 percent sales growth. The UK market reported the highest growth in monetary terms, reaching 1.82 billion US \$ in 2003. The UK market is the third largest in the world and continues to show robust growth. It expanded by about ten percent in 2003.

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Information has been updated from a previous report, The Global Market for Organic Food & Drink (Organic Monitor 2003). More details can be found on www.organicmonitor.com

The German market was valued at 3.78 billion US \$ in 2003. Although the second largest in the world after the USA, the market reported another year of sluggish growth. Sales growth was estimated at three percent and this was due to poor sales in most product categories. Consumer confidence in organic products was dented by the Nitrofen scandal in 2002 and market growth rates are slowly increasing as confidence returns. Much higher growth is envisaged in 2004.

The French and Italian markets are the next largest in Europe, both valued at about 1.5 billion US \$. Whilst the French market continued healthy growth of about eight percent in 2003, the Italian market reported much lower growth of about 0 to two percent. Sales of organic products like fresh fruit & vegetables went down in 2003 as retailers rationalised their product ranges.

In terms of consumption per capita, the most important country markets are Switzerland, Denmark, Sweden and Austria. Consumers spend over 50 US \$ per capita on organic foods in these Nordic and Alpine countries. This is comparable to the EU15 average of 32.3 US \$ per capita.

Ten new member countries joined the EU in May 2004. The market for organic foods is small in the accession countries, valued at about 72 million US \$ in 2003. Countries like the Czech Republic and Hungary have large amounts of organic farmland, however production is mostly on a small-scale and the markets are highly underdeveloped. Primary agricultural crops are mostly grown and there is an absence of organic food processing in the new member countries. Poland and Hungary have the largest markets for organic products in Central & Eastern Europe.

3.3 North America

The North American market for organic products continues to expand at a rapid rate. Sales of organic foods were estimated at 11.4 billion US \$ in 2003 (a revision of previous years estimate as more accurate data became available).

High growth is occurring in USA and Canada as consumer interest in organic foods strengthens and organic products become more widely available in the retail trade. Organic foods were traditionally marketed by natural food shops like Whole Foods Market and Wild Oats, however mainstream retailers are becoming increasingly active in the organic food industry. Supermarkets like Safeway, Albertson's and Kroger are widening their range of organic products and increasing the number of stores offering organic food & drink. Even Wal-Mart, the largest retailer in the world, is offering organic products in selected retailers.

Most growth is being observed in the USA where product categories like organic meat are showing growth in excess of 30 percent per annum. There is also very high demand for organic dairy products, partly because of consumer opposition to the use of synthetic growth hormones in dairy cattle.

The high growth of the American organic food industry has attracted a number of new entrants with large food corporations like Kraft Foods, Pepsi-Cola, Dean Foods and Danone coming into the market. Some have acquired organic food companies, for instance Dean Foods acquired White Wave and Horizon Organic. Others, like Campbell Soup have added organic products to their portfolio.

The Canadian market is also reporting high market growth rates. Consumer demand for organic foods is spreading across Canada with a large number of new organic food shops opening since 2002.

The largest chain of organic food shops, Planet Organic, acquired two leading vitamin & supplement retailers in summer 2004. Whole Foods Market and Wild Oats, both opened new stores in Canada in 2004. The leading supermarket for organic foods, Loblaws, continues to expand its range of organic products in its stores.

3.4 Asia

Although home to about 60 percent of the world population, Asia has a small market for organic products. The continent is however becoming a large producer of organic foods with many countries reporting significant increases in organic food production. The Asian market for organic products was valued at about 480 million US \$ in 2003.

Japan has the largest market for organic food & drink in the region. The country is the most affluent in the region, and its consumers are the most knowledgeable on organic products and their method of production. The Japanese market for organic food & drink was previously estimated at above 3 billion US \$ however the introduction of government regulations on organic farming and organic foods caused revenues to shrink over ten-fold in 2001. The Japanese Agricultural Standards (JAS) only allows organic foods that are certified by an accredited organisation to be marketed as organic foods. This resulted in many organic products to lose their organic status in 2001 causing the market size to shrink.

China is showing a large rise in sales of organic foods. This is partly due to a large increase in production; the country has the largest amount of organic farmland in Asia. Most production of certified organic products is for the export

market, however the increasing affluence of Chinese consumers and growing expatriate community are generating strong demand within China.

Demand for organic products in the rest of Asia is largely confined to the most affluent countries, notably South Korea, Hong Kong, Taiwan, Singapore and Malaysia. All these countries are showing strong increases in sales of organic products. Countries like Hong Kong and Singapore are almost entirely dependent on imported organic products because of the absence of agricultural land.

3.5 Oceania / Australia

The Australasian continent comprises almost a half of global organic farmland, however the market size is a fraction of the global total. Sales of organic food & drink were estimated at about 240 million US \$ in 2003 with the majority from Australia.

The organic food industry in Australia and New Zealand has traditionally been export-oriented. Organic crops are grown to be sold in different parts of the world. For instance, organic lamb from New Zealand is sold in Western Europe and North America. Organic beef from Australia is marketed in Japan and the USA. Other important exports include organic apples, onions, honey and wool.

The market for organic products within New Zealand and Australia is growing at a healthy rate however. Sales are estimated to be expanding by about 15 percent per annum as more consumers demand organic products. This is leading to more food processors to enter the organic food industry with a number of new producers of organic cereals, beverages and dairy products coming into the market.

3.6 Conclusions

Organic food production continues to rise across the globe; however sales are concentrated in two regions. The chart shows that North America and Europe account for roughly 97 percent of global revenues. The rest of the world accounts for a mere three percent of global revenues, and most are generated from Japan and Australia.

Why is consumer demand concentrated in the most affluent countries of the world? Two factors are believed to be responsible.

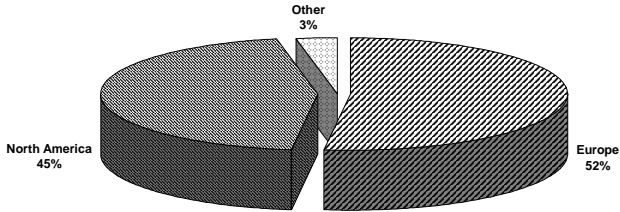
First, the price premium of organic products restricts demand to countries where consumers have high purchasing power. This is a factor why most sales are in countries where there is a sizeable middle-class of the population. This is also a reason why large cities represent most sales in many Asian countries.

Second, education or awareness of organic products is important. As consumers become more educated and informed of agricultural & food issues, they are more inclined to buy organic products whether it be because of factors like food safety, concern for the environment, or health reasons.

These two factors are adjudged to be responsible for sales to be concentrated in the industrialised world. However, the development of regional markets is going against this trend. Growing awareness and acceptance of organic farming in regional communities is causing organic farmers to produce organic products for consumers in their region. This is driving sales of organic products in some developing countries, particularly in Latin America.

In other regions, rapid economic development and growing consumer affluence are creating a middle-class that is demanding organic products. In these countries consumer tastes may be becoming global, however demand for organic products will increasingly become local as organic production continues to spread across the four corners.

Distribution of Global Organic Food Revenues 2003



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Figure 5: Distribution of global organic food revenues 2003

Note: All figures are rounded, Source: Organic Monitor

4 Standards and Regulations

Lukas Kilcher⁴, Beate Huber⁵ and Otto Schmid⁶

4.1 International Standards

4.1.1 IFOAM Standards

The Basic Standards for Organic Production and Processing (IBS) of the International Federation of Organic Agriculture Movements (IFOAM) were first published in 1980. Since then they have been subject to biennial review and republication.

The IFOAM Basic Standards define how organic products are grown, produced, processed and handled. They reflect the current state of organic production and processing methods. These standards should not be seen as a final statement, but rather as a work in progress to contribute to the continued development and adoption of organic practices throughout the world.

The IFOAM Basic Standards provide a framework for certification bodies and standard-setting organisations worldwide to develop their own certification standards and cannot be used for certification on their own. Certification standards should take into account specific local conditions and provide more specific requirements than the IFOAM Basic Standards.

Producer and processors that sell organic products are expected to work within, and be certified by certification bodies, using standards that meet or exceed the requirements of the IBS. This requires a system of regular inspection and certification designed to ensure the credibility of organically certified products and build consumer trust.

The IFOAM Standards Committee, in close co-operation and consultation with IFOAM member organisations and other interested parties, develops the IBS. The IFOAM Basic Standards are presented as general principles, recommendations, basic standards and derogations.

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The IFOAM Norms, which consist of the IFOAM Basic Standards for Organic Production and Processing and the IFOAM Accreditation Criteria for Bodies certifying Organic Production and Processing are published on the homepage of IFOAM (<http://www.ifoam.org> under “Organic Guarantee System”). The homepage also provides information on the IFOAM Accreditation Program (see chapter 6).

4.1.2 The Codex Alimentarius

The need for clear and harmonised rules has not only been considered by private certification bodies, IFOAM and state authorities (e.g. EU Regulation 2092/91 within the European Union), but has also gained the attention of the Food and Agriculture Organisation of the United Nations (FAO) and World Health Organisation (WHO). The FAO and WHO consider international guidelines on organically produced food products as important for consumer protection and information to facilitate trade. They are also useful to governments wishing to develop regulations in this area, in particular in developing countries and countries in transition.

The Codex Alimentarius Commission, a joint FAO/WHO Food Standards Program, began in 1991 (with participation of observer organisations such as IFOAM and the European Union) elaborating Guidelines for the production, processing, labelling and marketing of organically produced food. In June 1999, the Codex Commission approved guidelines for plant production followed by the approval of guidelines for animal production in July 2001. The requirements in these Codex Guidelines are in line with IFOAM Basic Standards and the EU Regulation for Organic Food (EU Regulations 2092/91 and 1804/99). There are differences with regard to the details and thematic areas, which are covered by different standards.

The trade guidelines on organic food take into account the current regulations in several countries, in particular the EU Regulation 2092/91, as well as the private standards applied by producer organisations, especially based on IFOAM Basic Standards. These guidelines define the nature of organic food production and prevent claims that could mislead consumers about the quality of the product or the way it was produced.

The plant and animal production section is already well developed in the Codex guidelines. In the section on processing of organic food, especially in consideration of animal products, there is an ongoing debate in the Codex Alimentarius Organic Working group on how far the use of food additives and processing aids should be limited, taking into account consumer expectations for minimal processing and little use of inputs on one hand, and traditional eating habits in different regions and the possibility to choose between a certain range of products on the other hand.

In the view of IFOAM, which was actively involved in the elaboration of these Guidelines, this Codex Document is an important step in the harmonisation of international rules in order to build up consumer trust. They will be important for equivalence judgements under the rules of WTO. For developing the market for organically produced food, the completion of these Codex Guidelines are important in giving guidance to governments in developing national regulations for organic food.

These Codex Guidelines for organically produced food will be regularly reviewed at least every four years based on given Codex procedure. Regarding the list of inputs, there is the possibility for an accelerated procedure, which facilitates a quicker update of amendments. Regarding future work, a clear need was identified at the meetings of the Codex Committee of Food Labelling (CCFL) in 2003 and 2004 in Canada to review the lists of substances for agricultural production as well as processing - taking into account the technological advances of the organic food industry, the development of research for organic farming/food and the growing awareness of different consumer groups for such food. The Codex Commission accepted these criteria in 2003. The new criteria for agricultural inputs as well as those for additives and processing aids are used in such a way that decisions on future inputs are supported by technical submissions evaluated with these criteria. In 2005 the main focus will be restructuring the list of additives and processing aids for organic food processing. The complete review of the full guidelines will start in 2006 the earliest.

Further information about Codex Alimentarius is available via the homepage www.codexalimentarius.net. There is also a special homepage on organic agriculture at the FAO Homepage: www.fao.org/organicag/. The Codex-Alimentarius-Guidelines on organic agriculture can be downloaded from ftp://ftp.fao.org/codex/standard/en/CXG_032e.pdf

4.2 National and Supranational Regulations

4.2.1 The EU Regulation on Organic Production

In the member states of the European Union (EU), the labelling of plant products as organic is governed by EU Regulation 2092/91, which came into force in 1993, while products from organically managed livestock are governed by EU Regulation 1804/99, enacted in August 2000. They protect producers from unfair competition, and they protect consumers from pseudo-organic products. Plant and animal products as well as processed agricultural goods imported into the EU, may only be labelled as organic if they conform to the provisions of EU Regulation 2092/91. The EU Regulation on organic production lays down minimum rules governing the production, processing and import of organic products, including inspection procedures, labelling and marketing, for the

whole of Europe. Each European country is responsible for enforcement and for its own monitoring and inspection system. Applications, supervision and sanctions are dealt with at regional levels. At the same time, each country has the responsibility to interpret the regulation on organic production and to implement the regulation in its national context.

EU logo for organic products

In February 2000 the European Commission introduced a logo for organic products that may be used throughout the EU by producers operating in accordance with the provisions of the EU regulation on organic production. The logo may only be used on organic products where 95 percent of the ingredients are organic products that originate from the EU and that have been processed, packaged and labelled in the EU or on imports from countries with an equivalent inspection system. The use of the symbol is voluntary,

and it may also be used in conjunction with national government or private logos for identifying organic products. So far only few companies, especially in Southern Europe, are using the EU logo, and the market impact is low.



The brochure “Organic farming – Guide to Community Rules”, published by the European Commission in 2001 and the handbook “The Organic Market in Switzerland and the European Union - Overview and market access information for producers and international trading companies” (Kilcher et al. 2004) provide extensive information about EU Regulation 2092/91 and market access regulations. The EUR-Lex website leads to an updated consolidated version of the EU Regulation 2092/91 including the amendments. It is available in all languages of the EU at http://europa.eu.int/eur-lex/de/consleg/main/1991/en_1991R2092_index.html

4.2.2 Other National Regulations

Many countries outside the European Union legally protect organic products or are in the process of development of organic regulations (see table 4). All these regulations lay down minimum rules governing the production, processing and import of organic products, including inspection procedures, labeling and marketing.

Several EU countries have developed their own national regulations as well as national logos for organic products; in some cases this occurred long before the EU regulation on organic production came into force. These logos are well known and much trusted by consumers. The existence of these logos is one reason for the organic boom in these countries (see table 7).

4.2.3 US and EU Import Procedures

Since the US regulation on organic agriculture, the National Organic Program (NOP), came into effect in October 2002 there are two regulations, the US and the EU legislation, which influence strongly the standards of organic production and trade worldwide. From the perspective of the consumer one could say that production and inspection standards of US organic products, EU organic products and organic products from a lot of other parts of the world are equivalent with each other. However, farmers or traders who want to export organic products should already with application for certification know the potential final destination(s) of their products to assure that both production standards and procedures for imported products in the aimed market are met.



Importing goods into the EU

Article 11 of EU Regulation 2092/91 governs market access for organic products in the countries of the EU. It stipulates that organic foods imported into the EU from third countries must have been produced, processed and certified in accordance with equivalent standards. Enforcement is the responsibility of the EU Member States. At the present time there are two ways of authorising imports into the EU:

- 1 Access via the list of third countries (Art. 11, paragraphs 1-5): A country or certification body may apply to be added to the list of third countries via its diplomatic representatives in Brussels. In order to be added to this list, the country making the application must already have enacted organic farming legislation and a fully functional system of inspection and monitoring must be in place. In addition, it must provide an attestation of equivalence and other information on organic farming methods. The European Commission decides upon the application based on an assessment of the implemented system. To date the following countries are listed: Argentina, Australia, Costa Rica, Israel, New Zealand and Switzerland. Goods imported from these countries need to be accompanied by a consignment-specific "Certificate of Inspection for Import of Products from Organic Production".

Table 4: Countries with a fully implemented regulation (42)

Region	Country	Website (where available)
European Union (25)	Austria	http://europa.eu.int/eur-ex/en/consleg/main/1991/en_1991R2092_index.html
	Belgium	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Cyprus	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Czech Republic	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Denmark	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Estonia	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Finland	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	France	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Germany	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Greece	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Hungary	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Ireland	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Italy	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Latvia	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Lithuania	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Luxembourg	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Malta	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Poland	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Portugal	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Slovak Republic	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Slovenia	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Spain	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	Sweden	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
	The Netherlands	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html
United Kingdom	http://europa.eu.int/eur-lex/en/consleg/main/1991/en_1991R2092_index.html	
Others Europe (6)	Bulgaria	http://www.mzgar.government.bg/mz_eng/Begin/Eco/Bioplant.htm (plant) http://www.mzgar.government.bg/mz_eng/Begin/Eco/Bioanimal.htm (livestock)
	Iceland	
	Norway	
	Romania	
	Switzerland	http://www.admin.ch/ch/d/sr/c910_18.html
	Turkey	
Asia and Pacific Region (7)	Australia	http://www.affa.gov.au/corporate_docs/publications/word/quarantine/approg/nationalstandard2.doc
	India	http://www.apeda.com/organic/index.html
	Japan	http://www.maff.go.jp/soshiki/syokuhin/hinshitu/e_label/index.htm
	Philippines	
	Korea	
	Taiwan	
	Thailand	http://www.acfs.go.th/
The Americas & Caribbean (3)	Argentina	
	Costa Rica	http://www.mag.go.cr/doc_d/reg_ley_mag.html
	USA	http://www.ams.usda.gov/nop/indexIE.htm
Africa & The Middle East (1)	Tunisia	

Table 5: Countries with a finalised regulation – not yet fully implemented (12)

Region	Country	Website (where available)
Region	Country	Website (where available)
Europe (5)	Albania	
	Croatia	http://www.hzps.hr/infhzps/vijesti/national_strategy_croatia.htm (draft of national strategy, October 2004)
	Macedonia	
	Serbia	
	Montenegro	
Asia and Pacific Region (1)	Malaysia	
The Americas & Caribbean (5)	Brazil	
	Chile	
	Guatemala	
	Mexico	
	Honduras	
Africa & The Middle East (1)	Egypt	

Source: Commins, IOAS, and Huber, FiBL, 2004

Table 6: Countries in the process of drafting regulations (17)

Region	Country
Europe (1)	Ukraine
Asia and Pacific Region (5)	China
	Georgia
	Hong Kong
	Indonesia
	Vietnam
The Americas & Caribbean (7)	Bolivia
	Canada
	El Salvador
	Nicargua
	Paraguay
	Peru
	St. Lucia
Africa (2)	Madagascar
	South Africa
Middle East (2)	Israel
	Lebanon

Source: Commins, IOAS, and Huber, FiBL, 2004

- 2 Access via import permit (Art. 11, paragraph 6): For all countries not included on the list of third countries (i.e. the vast majority of imports into the EU). As a rule, certification bodies operating at the international level will assist exporters and importers to put together all the information and evidence needed to accompany the application for an import permit. Requirements vary from one EU country to another, but the following requirements apply generally: An importing company needs to sign an inspection contract with a European certification body. The importer applies for an import permit with the local competent authority. With the application she/he has to provide documentation to prove that the production and certification of the respective products has been equivalent with the EU requirements. Products may not be released into the EU market before an import permit has been issued. Import permits are usually issued for a limited time period. Each consignment needs to be accompanied by a “Certificate of Inspection for Import of Products from Organic Production”.

Within the EU, all organic products may be freely traded. However, procedures relating to the issue of import permits tend to differ between the EU countries. It is advisable to seek competent advice before trading commences.

The retroactive assessment on equivalency with the EU Regulation 2092/91 leaves more flexibility on the acceptance of imported products compared to the US-procedure (see below). However the implementation of this provision caused a lot of problems: the competent authorities have very limited resources to assess a request for import and the trade is confronted with a not-transparent system, unclear provisions and different implementations in the various Member States. The European Commission realised this problem and is seeking an alternative, which shall be implemented in 2006 on expiry of the statutory period of time of the current provision.

Importing goods into the US

Similar to EU Regulation 2092/91, the US NOP requires all produce labelled as organic in the US to meet the US standards. However, there are quite some variations on the import procedures. According to the EU, production standards and inspection measures of imported products have to be equivalent with the Euk, meaning that there might be variations in the systems if they still provide the same level of assurance and are upholding the objectives of the EU Regulation.

The US regulation is more precise in its requirements for imports and demands imported products to fully meet the NOP provisions. The US system approves certification bodies as agents to operate the US certification program published as part of the rule. Retroactive certification is not possible. Inspections have to

be conducted by inspectors trained on NOP using NOP questionnaires, and only certificates issued by certification bodies accredited by the US Department of Agriculture USDA are accepted. It is not relevant whether the certification body is based in the US or outside. So far almost 100 certification bodies had been accredited by USDA according to NOP, and only produce certified by these certification bodies may be exported to the US.

Recognition procedures in the US and EU

Both the US and EU have provisions to accept other governmental systems on a bilateral agreement. The procedures on how to meet such agreements are described quite poorly in the respective legislations and leave the impression that such agreements are rather based on political negotiations than technical assessments.

According to the EU regulation 2092/91, the respective export countries have to request to be listed on the third country list. They have to supply the necessary information and might be examined on the spot by an expert group authorised by the European Commission for being listed. Based on this assessment the European Commission decides on the listing (see above). The US so far has accepted a few foreign governments' accreditation procedures. For example, certification bodies accredited according to the US requirements by Great Britain, Denmark or New Zealand are accepted by the USDA for certifying according to the US NOP without being directly accredited by USDA. This is just recognition of the accreditation procedures: the respective certification bodies still have to meet the requirements of NOP to issue certificates accepted by the US.

The US is negotiating in addition equivalency agreements with Australia, the European Union, India and Japan. This means that USDA would determine that their technical requirements and conformity assessment system adequately fulfil the objectives of the NOP, and no double certification (e.g. Australian and US) would be necessary in case of imports. However, the US announced that equivalency determinations are very complex and time-consuming, and that they expect the negotiations with the EU to take at least five years.

Some countries with close trade relationships to the US, e.g. Canada, Australia and Mexico, are currently revising their organic legislation, and it can be assumed that NOP is taken into consideration for these revisions in order to achieve bilateral agreements in future. Although the EU Regulation and US NOP are the strongest poles to influence national standards on organic production, other countries already passed or are elaborating legislation on organic production that are not necessarily in line with the EU or US system, e.g. Japan. It is quite likely that despite the harmonisation activities initiated by IFOAM, FAO and UNCTAD, trading organic products will become even more complicated in the coming years

4.3 Private Standards

In some countries in Europe, farmers' associations had already formulated their private standards and labelling schemes long before national regulations came into force. These quality marks, for example in the UK, in Denmark, Austria, Sweden and Switzerland, are well trusted by consumers and are one of the reasons for the current boom in the market for organic products in these countries.

Originally, private standards were more a set of guiding principles rather than the detailed production and processing standards prevalent today. These private standards in some elements exceed the minimum requirements stipulated by national regulations: Private standards are more demanding in the field of agriculture and in processing, too. For imported products to be awarded the private labels, all of the foreign operators (producers, processors and traders) must fulfil not only the requirements set out in EU Regulation 2092/91 or other national regulations, but also comply with the respective private label standards. Those private labels undertake an additional verification of compliance.

Farmers' associations published all of the earliest organic standards. Standards committees and the IFOAM General Assembly still develop most of them in a democratic process. Along with publishing standards, the associations then set up systems to verify compliance with those standards. These standards provide an identity to the farmers association and help to ensure the loyalty of the farmer.

The private standards have determined the content of the IFOAM Basic Standards, which in turn have had a major influence on the EU Regulation 2092/91 and the Codex Alimentarius. Compared to national regulations, private standards are developed from the bottom up rather than imposed from above. However, since the implementation of national regulations, private standards are forced to compile with them and state authorities more and more make standards-decisions instead of farmers' associations.

In 2002, an International Task Force on Harmonisation of UNCTAD, FAO and IFOAM initiated efforts to harmonise organic standards and regulations. This partnership between the private organic community and the United Nations offers a forum for public and private discussions and aims to initiate the development of a constructive and effective partnership between the private and the public sector.

4.4 Relationship to Fair Trade

Many producer associations in the emerging markets and markets in transition conform to the requirements of the Fair Trade organisations, e.g. FLO (Fair-trade Labelling Organisation International), Transfair, Max Havelaar and World Shops (Weltlaeden). Having a Fair Trade label does not necessarily mean, however, that the products can also be sold as 'organic'. In order to be designated organic, the project must be subject to accredited organic inspection procedures.

IFOAM maintains close contacts with FLO and its members, since a large number of projects conform to the standards of both organisations. The combination of 'organic' and 'fair trade' labelling can enhance a product's market prospects. Additional information and regulations can be downloaded at www.flo-international.org.

4.5 Literature













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Kilcher Lukas et al (2004).: The Market for Organic Food and Beverages in Switzerland and the European Union. Overview and market access information, pp 156, Forschungsinstitut fuer biologischen Landbau (FiBL) und Swiss Import Promotion Program (SIPPO), Second Edition Frick/Zuerich January 2004, ISBN 3-906081-03-06

Table 7: Government and private logos for organic products in Europe

Austria (state)	Belgium (private)	Czech Republic (state)
		
Denmark (state)	Finland (state)	France (state)
		
Germany (state)	Netherlands (state)	Spain (state)
		
Sweden (private)	Switzerland (private)	UK
		

5 Certification & Accreditation

5.1 Introduction

Gerald A. Herrmann⁷

Organic Agriculture is based on the commitment of farmers and processors to work according to set standards and regulations that define the organic production system. Furthermore, organic agriculture is based upon transparency that makes the production system comprehensive and reliable, and ensures the consumer confidence necessary for market development.

Seen in this context, certification and accreditation systems primarily serve as tools to enhance trade, market development and foster confidence.

Accreditation and certification mechanisms are developing rapidly. There are almost no areas of human life or technology where regulations or norms have not yet been developed and introduced. With regard to food, organic food production and processing set the precedents for the conventional industry.

Whereas private (farmer) organisations developed the standards for production, inspection and certification in the 1980s, the first governments took over this task at the beginning of the 1990s. Although they took on the task of defining the rules as a sovereign right, they did not necessarily become involved in the implementation of these rules at all levels.

Codex Alimentarius, with its organic chapter, defines the common international framework for governments (see previous chapter). Regulations like the EU or US law were passed and implemented at governmental or supra-governmental level. State governments added specific requirements.

The private sector standards are based on the IFOAM Basic Standards, which were and still are reference for governmental regulations as well as Codex Alimentarius.

Today, about 60 countries have already regulated organic agriculture with national standards and further requirements regulating recognition of inspection bodies and some defining inspection procedures as well.

⁷ Gerald A. Herrmann, Executive Director, International Federation of Organic Agriculture Movements (IFOAM), Charles-de-Gaulle-Str. 5, D-53113 Bonn Germany, Tel. +49 228 926 50-10, Fax +49 228 926 50-99, E-mail headoffice@ifoam.org, Internet <http://www.ifoam.org>

The major consuming and importing markets like Europe, the USA and Japan are leading, but countries like India, China and Brazil are following this path. Inspection and certification is accredited or at least supervised by government authorities as defined in the regulations, even though the systems being implemented might be quite different. Control and supervision at all levels should guarantee that all inspectors and certifiers are evaluated and accredited (accreditation means “the evaluation of certifiers”).

Additionally, several private standard and labelling schemes exist mainly in areas of the world where the organic market is well developed. Estimations count 385 certification bodies certifying according to private standards and/or set regulations over the world.

But it is not enough to define the rules. It is still necessary to achieve a minimum (worldwide) equivalency guaranteed throughout the system in order to let products flow. Lacking acceptance and recognition between the different certification and accreditation systems contradicts the objective of enhancing trade, market development and fostering confidence. It’s the opposite. The already existing different systems are today creating a technical barrier to trade, forcing producers to multiple certification for their operation if their products are to access different markets with different regulations.

Nobody can seriously state that this situation makes the organic system safer and reliable. It is almost always bureaucracy without adding additional value - neither for the producer nor the consumer.

However, it is undisputed that the development of standards, certification and accreditation systems during the last decade has improved reliability and transparency of the organic system, but from an overall perspective it is now high time to consider how systems can be reviewed in order to make them more inclusive and to reduce market barriers. The differences in the organic systems are more or less resulting from minor details and different (cultural) approaches although all systems are serving the common idea to improve credibility of the organic system.

In order to strengthen ‘organic’ all involved parties like governments, private standard setting and certification bodies as well as other stakeholders should concentrate their focus on the essential difference between organic and conventional rather to struggle within the movement about differences, even details. It is high time to reconsider that accreditation and certification is basically a tool to strengthen the organic development.

As a result of the above mentioned factors, certification (including inspection and accreditation) should be reasonably designed to support the credibility of the organic system rather than to endanger it by overburdening it with more and more details.

This is what the organic movement is still trying to achieve with harmonised international basic standards and with designing a private system, yet acknowledging the reality of its practical restrictions.

It still is to be seen whether the joint initiative of IFOAM, FAO and UNCTAD creating an international Task Force on Harmonisation where the private sector and representatives of governments are participating will achieve general consensus on harmonising private with governments and government with government standards respectively regulations.

5.2 Almost 400 Certification Bodies in 65 Countries⁸

Gunnar Rundgren⁹

In the 2003 issue of *The Organic Certification Directory* 364 organisations were listed as offering organic certification services. In 2004 the number went up to 385 organisations. Information in each entry was provided by the organisations themselves. Some respondents included interesting information about themselves, while others left details missing. In 2004 the Directory added two new pieces of information for each entry: the date organic certification started and the number of operators certified by the organisation. Whilst an extensive effort was made to cover *all* certification bodies operating an organic certification programme some may have been missed. Similarly the Directory includes bodies that have not performed any actual organic certification, but, to the best of our knowledge, offer the service.

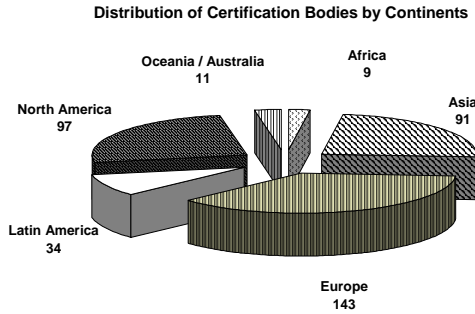
Whilst a total of 385 certification bodies is a lot, they are unevenly spread throughout the world. The majority are located in the EU, USA, Japan, Canada and Brazil. Many of the listed certification organisations are also operating outside their home country. Most of them are based in a developed country and offer their certification services in developing countries. A handful work in several or all the continents. There are only 65 countries that have a home-based certification organisation. Most of Africa and Asia still lack local service providers. There are only 9 certification bodies in Africa and most of these are in South Africa. Asia has 91 certification bodies, but 66 of these are based in Japan.

Certification bodies were asked for information about the number of operators they certify. Only 121 responded, giving a total of 125,000 operators. The figure, though, is of limited value as some bodies included all the producers in a producers group while others did not, *i.e.* a certified group of 5,000 producers was either declared as one operator or as 5,000 operators. The ten largest organisations control more than 55,000 operators with the Italian ICEA as the clear leader with 13,022 operators. BIO SUISSE, KRAV and Soil Association are the heavy-weights when it comes to turnover, all with more than 5 million Euro.

⁸ Originally published in *The Organic Standard*, <http://www.organicstandard.com>

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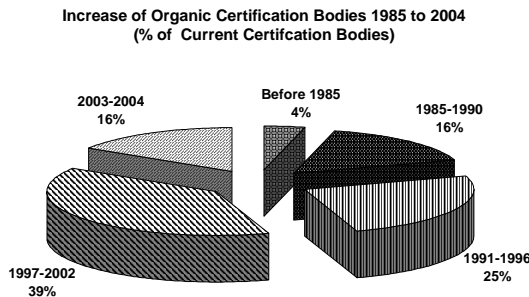
© The Organic Standard

Figure 8: Organic certification bodies by continent

Source: The Organic Standard

Of those 158 that responded to the question concerning the starting date of their operation, four percent started before 1985, while 25 percent started after 2002.

The list of accreditation/approval, and the statistics on what kind of approvals individual bodies have, offers some interesting information. Approval for the USA has attracted 112 certification bodies, of which 58 are based outside the USA. The EU has 132 approved bodies, with only 16 non-EU based bodies recognised within its system. Twenty new bodies came in under the system as a result of accession of ten new EU Member States.



© The Organic Standard

Figure 9: Development of the number of organic certification bodies

Source: The Organic Standard

It should be kept in mind that the majority of imports into the EU come through certifications granted under article 11.6 (*i.e.* the importers' derogation). Under that system 1248 import authorisations granted from 92 countries were granted in 2002. Non-EU based certification bodies whose certifications have been recognised under article 11.6 are not included in the listing as having EU approval, but in many cases a note about it is included.

Also of interest is the fact that 96 of the listed organisations do not have any of the 5 highlighted accreditation/approvals. While the ISO 65 often is seen as a universal norm for certification, only one fourth of the organisations are accredited to ISO 65.

Table 8: Certification bodies according to continents

		Approval				
	Total	IFOAM	Japan	ISO 65	EU	USA
Africa	9			2		
Asia	91	4	66	2	1	2
Europe	143	14	16	62	120	31
Latin America & Caribbean	34	4	1	9	4	9
North America	97	4	6	18		66
Oceania	11	4	6	3	7	4
Sum 2004	385	30	95	96	132	112
Sum 2003	364	26	81	74	112	106

5.3 IFOAM Accreditation

International Organic Accreditation Service (IOAS¹⁰)

The International Organic Accreditation Service (IOAS) is a non-profit, independent organisation, which offers international oversight of organic certification, through a voluntary accreditation process for certification bodies active in the field of organic agriculture.

The IOAS's main business is in implementing the Accreditation Program¹¹ of the International Federation of Organic Agriculture Movements (IFOAM), which is an industry-based, global guarantee of organic integrity, unburdened by national barriers and implemented by one body which has no other interests (for information on the IFOAM Basic Standards see previous chapter).

Under this program, applicant certification bodies are assessed against the IFOAM Norms - the criteria for certification bodies and the IFOAM Basic Standards. The assessment includes both a review of the certification body's documentation and an on-site visit to evaluate the quality of the certification body's performance. Once a certification body is compliant with these requirements, it is awarded IFOAM accreditation by the IOAS. Continued compliance is assured through an annual surveillance system that includes yearly visits to the office of the certification body and, where appropriate, visits to foreign offices and operators.

In addition to IFOAM accreditation, the IOAS also offers accreditation against ISO/IEC Guide 65 General Requirements for Bodies Operating Product Certification Systems and compiles reports addressing a certification body's conformity with organic regulations such as EU Regulation 2092/91.

The IOAS is comprised of a Board of Directors and an Accreditation Committee drawn from different sectors of the organic community around the world. Five professional and one support staff located in offices in the USA, Europe and Australia carry out the day-to-day work.

The IOAS is self-financed, 80 percent of which comes from the accreditation process. The remainder is income from undertaking technical projects, all related to organic standards and development of better regulatory systems in this field.

¹⁰ Ken Commins, International Organic Accreditation Services (IOAS), 118 ½ 1st Ave. S Suite 15, Jamestown, ND 58401 USA, Tel. +1 701 252 4070, Fax +1 701 252 4124, E-mail Info@ioas.org, <http://www.ioas.org/>

¹¹ Extensive information about the IFOAM accreditation programme is available at the IOAS Homepage at <http://www.ioas.org/>.

The global and specific nature of the IFOAM Accreditation Program provides a basis for providing a consumer guarantee of organic integrity with appropriate regulatory effort and the IOAS are hopeful that ongoing discussions and active collaboration with governments and international organisations may rationalise the current situation.

The IOAS recognise that there is much duplication of effort in regulating the organic sector, within the private sector, within governments and between the private and public sectors. This over-regulation does not improve its effectiveness and certainly does not facilitate access to markets, consumer choice and competitive prices.

The IOAS are working towards a collaboration with governments and international organisations both multilaterally within the International Task Force on Harmonisation set up by FAO, IFOAM and UNCTAD and bilaterally to look at ways to share information and reduce the regulatory burden on certification bodies and in turn producers. It is too early to say what form a new model for regulation may take, but it is hoped that it can combine the attributes of both private and public sectors to provide a worldwide guarantee of integrity from one inspection at producer level and one accreditation at certification level.

History of IFOAM Accreditation

November 1992

IFOAM launches the IFOAM Accreditation Program

December 1994

The first certification bodies gain IFOAM accreditation

March 1997

IOAS incorporated. IFOAM Accreditation Program transferred to IOAS.

September 1998

First accreditation committee formally constituted

December 1998

13 Certification bodies accredited with additional 6 under review

March 2002

Two additional staff employed bringing total number of employees to 6.

November 2002

IFOAM Accreditation Program is 10 years old.

September 2003

29 IFOAM accredited certification bodies with additional 3 under review.

5.4 IFOAM Accredited Certification Bodies

Agrior Ltd.

121 Hachashmona'im St. Tel Aviv 67011 Israel
 TEL: +972 3 5614898
 FAX:: +972 3 6241897 agrior@netvision.net.il
Countries of operation: Israel, Ethiopia

AgriQuality Ltd

PO Box 4127 Mount Maunganui South
 Hamilton New Zealand
 TEL: +64 7 572 0814
 FAX:: +64 7 572 0839
 schofieldh@certenz.co.nz
Countries of operation: New Zealand,
 Vanuatu

Argencert S.R.L.

Bernardo de Irigoyen 972, 4° "B" 1072 Buenos
 Aires Argentina
 TEL: +54-11 4363 0033
 FAX: +54-11 4363 0202
 argencert@argencert.com.ar
Countries of operation: Argentina, Chile,
 Paraguay

Australian Certified Organic

PO Box 530, Level 1, 766 Gympie Chermiside
 Queensland 4032 Australia
 TEL: +61 7 3350 5706
 FAX: +61 7 3350 5996 manager@aco.net.au
Countries of operation: Australia, Fiji, New
 Zealand, Papua New Guinea, Thailand

Bioagricert srl

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 riccardo@bioagricoop.it
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 Thailand

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 FAX: +64 4 801 9742
 smason@bio-gro.co.nz
Countries of operation: New Zealand, Fiji,
 Cook Islands (Rarotonga), Niue, South Africa.

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H 1535 Budapest PF 800 Postal H 1027
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Bioland e.V.

Kaiserstrasse 18 D-55116 Mainz Germany
 TEL: +49 61312397924
 FAX: +49 613123979-27 landbau@bioland.de
Countries of operation: Germany, Belgium,
 Italy, Netherlands.

BIOPARKe.V.

Karl-Liebnecht Strasse 26 D-19395 Karow
 Germany
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 FAX: +49 387 387 0024 info@biopark.de
Countries of operation: Germany

BIOS S.r.l.

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 FAX: + 591 2 2490747
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6 How Organic Agriculture Contributes to Sustainable Development

Lukas Kilcher¹²

Organic agriculture can, especially in poorer countries, contribute to meaningful socio-economic and ecologically sustainable development. On one hand, this is due to the organic practice, which means management of local resources (e.g. local seed varieties, dung, etc.) and therefore cost effectiveness. On the other hand, the market for organic products – at local and international level – has tremendous prospects for growth and offers to creative producers and exporters from the south some excellent opportunities to improve their incomes and living conditions. As to whether organic agriculture is a viable alternative for a particular holding, is something, which can only be clarified case by case.

What are the potentials of organic agriculture for the solution of the hunger and poverty problems? What can organic agriculture contribute to socially and ecologically sustainable development in poor countries?

Organic agriculture is sustainable and diverse

At the core of organic agriculture are the promotion of soil fertility, biodiversity (e.g. native flora and fauna), locally adapted production methods and the renouncement of chemical inputs. Such methods and the cultivation of diverse crops stabilise the delicate eco-systems in the tropics and reduce drought sensitivity or pest infestations. Organic production lowers the risk of yield failure, stabilises returns and therefore enhances food security of small farmer's families.

Organic farmers conserve resources

Closed nutrient cycles and an efficient use of local resources – for example compost, dung or seeds – are especially important for subsistence farmers depending on few, limited assets. To these farmers, organic agriculture means adapted technologies, more independence and a way out of the debt trap.

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Organic farms produce more

Organic agriculture is based on a combination of traditional, indigenous knowledge and insights of modern agro-ecological research. In traditional farming systems organic agriculture often enables a direct increase in production. In the long run this is even possible for the conversion of high-input farming systems. Additionally, organic farms harvest more products on the same area, thus providing more food for the farmer's families and reducing the dependency on one product in the market.

Organic products provide market access and create added value

Certified organic products provide access to attractive local and international markets for developing countries, while the producers generate higher incomes. In addition, thanks to long-term contracts, income is generated more continuously than in conventional trade. In order to guarantee a fair share of the international organic trade to those contributing most to the production of food, trade must include social regulations. For these reasons numerous organic products in developing countries also embrace social standards according to fair trade labels such as "Max Havelaar" or "Transfair".

Organic agriculture raises self-confidence and autonomy

Conventional agriculture robs farmers of their responsibility. Organic agriculture highly respects indigenous knowledge, women's knowledge and local solutions. Thus the producers gain control over the production cycle and gain more self-confidence. Locally and internationally organic producers play an active role in advancing their production methods and in developing standards.

The organic movement mobilises new forces and partnerships

Developing organic farmers organisation, standards, certification systems, extension services, education, research and markets brings producers together in a new manner. Such communities and partnerships are in a stronger position to demand and assert their rights and to maintain or improve their economic position.

Organic agriculture is sustainable and diverse.

Picture 1: Agroforestry is a heartpiece of organic agriculture in the tropics. The cooperative “El Jobo” in Cuba applies this system with success: Besides the cash crops coffee, cocoa and grapefruit, the farmers of El Jobo plant a large number of shading trees (Inga, Erythrina, Leucaena etc.) and self-sufficiency crops (banana, beans, potatoes etc.). Agroforestry systems reach a higher stability, improve the soil fertility, add nitrogen to the soil (N-fixation), protect the soils against erosion and weeds, add large amounts of organic matter by distributing leaf litter and keep the soil humid by shadowing the area and covering it with mulch. Agroforestry creates a diversity of micro-climatic effects and a diversity of plants; it is therefore a very sustainable production system. Picture: FiBL



Organic farmers conserve resources.

Picture 2: Bina Sarana Bakti is an organic vegetable farm and training centre guided by Father Agatho, a Swiss Capuchin, a pioneer of organic farming in Indonesia. The construction of terraces provides flat land for growing vegetables in a hillside area where heavy rains usually leads to big problems with erosion. The terraces prevent from erosion and nutrients loss. The soil is covered with cuts of grasses and leaves to maintain the soil humidity and to prevent the erosion. The coverage can also serve as natural fertilizer. The erosion can also be reduced by constructing shed. And instead of using hoe-like tool to squeeze the soil, the farm uses fork-like harrow in order to loose the soil.



Organic farms produce more.

Picture 3: The farmers of the organic coconut cooperative in Baracoa (Cuba) produce more than just coconut: intercropping of different fruit (coconut, mango, citrus, banana, avocado etc.) and vegetables (beans, maize, lettuce, yams, sweet potatoes etc.) enables them to harvest more products on the same area and to sell organic products on the local and international market at the same time. Picture: FiBL



Organic products provide market access and create added value.

Picture 4: Farmer of the Karaburuni association, an association of sheep and goat shepherds. In the southern part of Albania, sheep and goat shepherds produce a special organic cheese, which opens them new markets in Albania, such as Tirana or touristic areas. As demand is rising, production and prices can be increased and therefore provide better economic opportunities to the local population of Karaburuni. The Karaburuni association is supported by the Albanian Organic Agricultural Association (OAA), which is the main project partner of FiBL in the SASA Project (Sustainable Agricultural Support Albania), financed by SDC. Picture: FiBL.





Organic agriculture raises self-confidence and autonomy

Picture 5: All together for organic farming made in Tunisia: With FAO-support and FiBL-advice, the Ministry of Agriculture from Tunisia set up a strategy and an action plan for the development of the organic sector. This strategy bases on the involvement of all stakeholders in production, marketing, research, extension, capacity building and organisation of the farmers. The vision of this strategy is to create optimal conditions for a successful development of the Tunisian organic sector. This strategy aims to increase the value of Tunisian organic products in the local and international market, considering agro-ecological, economical and social development goals. The development of this strategy raised self-confidence and autonomy of Tunisian organic farmers, and its implementation hopefully will continue to do so. Picture: FiBL



The organic movement mobilises new forces and partnerships.

Picture 6: India is already exporting a range of organic products like tea, spices, cotton, rice etc. And the Indian domestic market is promising, though it is still very small. For gaining consumer's confidence, valid certification is an essential pre-requisite for marketing. A group of organisations and corporate bodies took in 2001 the initiative to set up – in co-operation with FiBL and bio.inspecta – an Indian Organic Certification Agency named INDOCERT. It became an important element of the organic movement in India and mobilises new forces and partnerships. The Swiss State Secretariat of Economic Affairs (Seco) is supporting the set up of INDOCERT. Picture: FiBL

7 Africa¹³

Nicholas Parrott¹⁴ and Fred Kalibwani¹⁵

This chapter draws on a recent IFOAM Publication “Organic and like minded movements in Africa” by Nicholas Parrott and Bo Van Elzakker (2003).

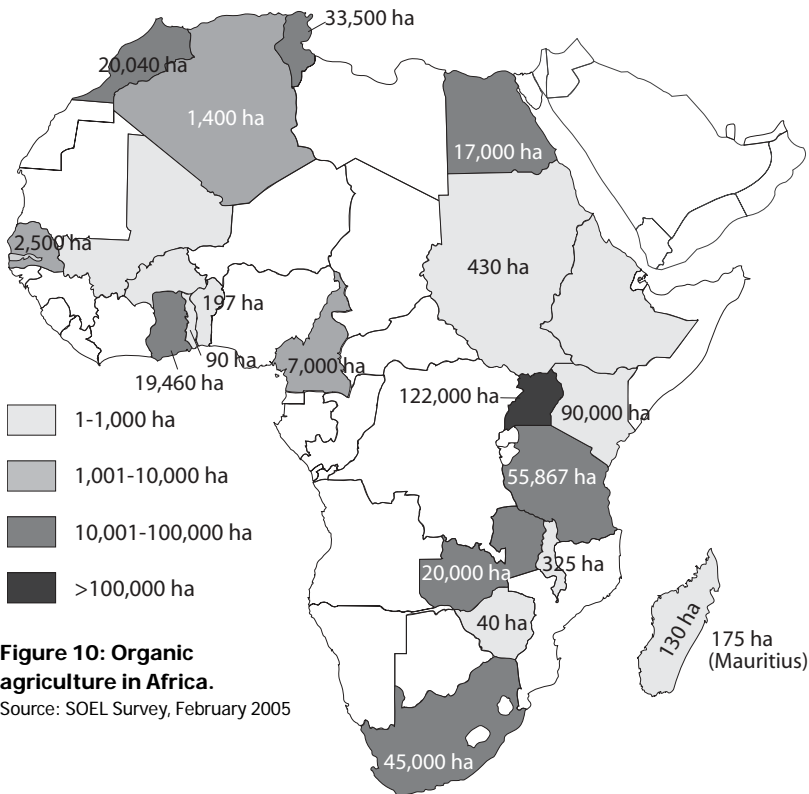


Figure 10: Organic agriculture in Africa.

Source: SOEL Survey, February 2005

¹³ Please note: This chapter is a reprint of the 2004 edition of “The World of Organic Agriculture”.

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7.1 Introduction

There are two levels of organic farming in Africa – certified organic production and non-certified or agro-ecological. With one or two exceptions (notably Egypt and South Africa) certified production is mostly geared to products destined for export beyond Africa's shores. Statistics for certified production are provided in table 8. Although these are probably incomplete, (most countries do not have data collection systems for organic farming) they indicate that with, few exceptions (notably Uganda), certified organic farming is relatively underdeveloped, even in comparison to other low-income continents.

However, certified organic production only represents a tip of the iceberg of organic farming in Africa, and evidence is emerging of a far larger agro-ecological movement in parts of Africa. Local NGOs and farmers' groups, as well as development agencies are increasingly adopting organic techniques as a method of improving productivity and addressing the very pressing problems of food security faced by all too many Africans. Agro-ecological approaches also address a number of other priority concerns. They resonate with and are being used in initiatives designed to:

- maintain and enhance soil fertility
- combat desertification
- promote tree-planting and agroforestry
- develop low and no input means of combating pests
- promote the use of local seed varieties
- maintain biodiversity
- support the most vulnerable social groups (often particularly women and households headed by women) and
- combat global warming

To date no systematic attempt has been made to track the extent to which these approaches are being employed on the ground, or their effectiveness, viz a viz other approaches, in meeting economic, social and environmental objectives. Yet there is much evidence that they are growing in appeal and often proving highly successful in meeting these aims.

Yet for all this the organic movement has a credibility problem in Africa. Advocates of modernisation can point to the very low level of input use in most of Africa and the low take up of Green Revolution technologies and claim that most farming in Africa is already de facto organic and evidently fails to meet food security needs or protect fragile environments. Coupled with the experience in the Northern Hemisphere that conversion to organic

farming leads to a loss in yields (at least in the first years) it is all too easy to argue that organic farming in Africa is an “immoral option”. An option which, at best, permits access to premia export markets to a favoured few, while ignoring, and perhaps exacerbating, the plight of the many.

The organic (and other like minded) movements need to challenge this perception. They need to demonstrate that organic agriculture is a viable and sustainable development option for Africa and that adopting organic agriculture does not mean a return to some form of low technology, backward or traditional agriculture – but that, instead, it pursues a blend of innovations originating from both scientists and farmers. They must present the organic farming system as emphasising management (M) over technology (T) as well as emphasising biological relations (BR) and natural Processes (NP) over chemically intensive methods (CIM).

Organic farming in Africa must be viewed beyond the trade frame. It must be viewed as an agricultural system that “enhances” and “manages” the complexity of the ecosystem rather than reduce and simplify the biophysical interactions on which agricultural production depends. It must be seen as deliberately integrating and taking advantage of naturally occurring beneficial interactions. But most importantly, organic farming in Africa must be seen as a process of learning and adaptation as well as the institutional and policy framework that drives this process.

In recent years some policy makers and donors have started to recognise the potential of export oriented organic agriculture as a means of generating foreign exchange and increasing incomes. Yet the broader benefits of organic farming and agro-ecology (in terms of enhancing food security, environmental sustainability and social inclusion and reducing exposure to toxic pesticides) all too often go unrecognised.

7.2 Statistics / Historical Development

The formal organic sector in Africa remains relatively underdeveloped and statistics are often difficult to come by. In the past years there has been evidence of substantial growth in certified organic land in Ghana, Ethiopia, Tanzania and Zambia.

Certified organic farming in Africa takes two main forms: relatively large farms or plantations within single ownership that are oriented towards export production and smallholder groups who collectively organise extension, inspection, certification and marketing activities. Many of the smallholder groups are (initially at least) supported by development aid programmes, particularly the Swedish financed EPOPA programme, which has stimulated

the development of the organic sector in Uganda and Tanzania. Most smallholders in these programmes will only use a part of their land for their export cash crop, using the remainder for household consumption and local markets. Occasionally hybrids of these two forms exist where large plantations will buy in additional produce from certified small holder “out-growers”.

7.3 Markets

With a few exceptions (notably Egypt and South Africa) the African market for organic produce is very small. This is due both to low income levels and an, as yet, undeveloped infrastructure for inspection and certification. Most certified organic production in Africa is geared towards export markets, with the large majority being exported to the EU, which is Africa’s largest market for agricultural produce (and the world’s largest organic market). The range of certified organic products currently being produced in Africa is shown in the table below.

With the exception of the Maghreb countries and Egypt, which benefit from their proximity to European markets, the potential of an export led organic strategy is constrained by high transport costs and poor infrastructure. For most sub-Saharan African countries the best potential for organic exports undoubtedly lies in low volume – high value crops (such as coffee, herbs, spices, medicinal and beauty products), non-perishable items, those which offer opportunities for adding value locally and tropical fruits.

Domestic markets for organic produce are developing in Egypt and South Africa, both reasonably prosperous countries by African standards. Sekem, the pioneer of the organic movement in Egypt, has developed a substantial domestic market for a range of products, including herb teas, fruit and vegetables and organic cotton. Domestic sales account for a majority of its certified production. In other countries and particularly in the larger cities, there are reports of some demand for “naturally” grown produce. Often, however, this is not certified and its popularity is often due to these products tasting better than their intensively grown counterparts. The potential of applying organic approaches within urban farming, which provides a high proportion of fresh vegetables and protein within many African cities, is being explored in some places.

7.4 State support, standards and legislation

At present Tunisia is the only African country with its own organic (EU compatible) standards, certification and inspection systems. Egypt and South Africa have both made significant progress in this direction. Both have two certifying organisations and are well on the way to developing standards. Morocco and Zambia have made some progress to developing their own

Table 9: Organic Produce from Africa (by type and country)

Product Group	Countries
Fresh Vegetables	Egypt, Kenya, Madagascar, Malawi, Morocco, South Africa, Tunisia, Uganda, Zambia
Bananas	Cameroon, Ghana, Senegal
Citrus Fruits, Grapes, Including wine	Egypt, Morocco, South Africa
Tropical fruits (fresh), Avocadoes, mangoes, pineapples, papaya etc.	Cameroon, Egypt, Ghana, Madagascar, Senegal, South Africa, Tanzania, Uganda
Dried Fruits	Algeria, Burkina Faso, Egypt, Madagascar, Morocco, Tanzania, Tunisia, Uganda
Coffee	Cameroon, Ethiopia, Kenya, Madagascar, Tanzania, Uganda
Tea	Tanzania, Uganda
Cocoa	Cameroon, Ghana, Madagascar, Tanzania
Sugar	Madagascar, Mauritius,
Cotton	Benin, Egypt, Senegal, Tanzania, Uganda
Coconut Oil	Mozambique
Palm Oil	Ghana, Madagascar Tanzania
Olive Oil	Tunisia
Ground Nuts (peanuts)	Zambia
Tree Nuts (cashew, shea)	Kenya, Malawi, Morocco, Tanzania
Sesame	Burkina Faso, Uganda, Zambia, Zimbabwe
Herbs (culinary)	Egypt, Ethiopia, Ghana, Kenya, Madagascar, Malawi, Morocco, Mozambique, South Africa, Tunisia, Zambia, Zimbabwe
Spices (culinary)	Cameroon, Egypt, Ethiopia, Madagascar, Malawi, Mozambique, South Africa, Tanzania, Uganda, Zimbabwe
Medicinal / Therapeutic Herbs and Spices	Egypt, Morocco, Namibia, Tunisia, Zambia
Essential Oils	Madagascar, Tanzania
Honey	Algeria, Malawi, Tanzania, Tunisia, Zambia
Other Forest Products	Uganda, Zambia, Zimbabwe
Cereals	Egypt

standards. The Namibian government has expressed an interest in developing an organic sector and the Ugandan Coffee Development Authority recognises the commercial potential of organic coffee (they will be hosting the 3rd IFOAM organic coffee conference in Kampala in spring 2004).

In general however, the potential of organic approaches, even those geared to premium export markets, has not yet been recognised by the majority of African governments. In consequence most African countries are reliant upon both foreign standards and certifying bodies. This is a major constraint on the development of the organic sector, creating a “chicken and egg” situation, where the market does not develop because the necessary infrastructure is not in place, and the infrastructure is not there because the market is inadequately developed. The Swedish Development Agency SIDA is considering funding a programme to develop local certification and inspection capacity in South and Eastern Africa. South Africa, Uganda, Tanzania, Zambia and Kenya are the countries most likely to be involved in this process. Other countries in the region may also be able to benefit by participating in inspection and standard setting programmes. The absence of local certification and inspection capacity is a critical bottleneck that needs to be overcome in order to develop the potential of African organic exports.

7.5 Innovations in Agroecology

In many countries improved organic farming methods are being developed and disseminated as part of broader packages for sustaining livelihoods. Indigenous NGOs and farmers groups are particularly active in this field in Ghana, Kenya, Senegal, South Africa, Uganda and Zimbabwe, where networks of organically minded NGOs are starting to form effective lobbying and advocacy bodies for the organic movement. PELUM in Zimbabwe and SACRED Africa in Kenya are two examples of networks that are, often very effectively, integrating the organic message into more general development efforts. There are also pro-organic NGOs active in training, support, and advocacy in Togo, Benin, Zambia, Ethiopia and Madagascar. The emphasis of their activities can vary significantly according to local needs and circumstances. For example,

- in Kenya groups are successfully experimenting with using the virulent Water Hyacinth as a basis for making silage, compost and its stems for furniture making.
- in South Africa traditional healers are being encouraged to switch from collecting to organically cultivating those medicinal herbs that have come under pressure, partly as a result of the HIV/AIDS pandemic.

- in Madagascar an innovative system of rice cultivation under organic management has been given higher yields than those obtained on demonstration farms run by the agro-industrial sector. This system is now being widely experimented with in Asia and tested by the International Rice Research Institute (IRRI).

Elsewhere international development agencies are recognising the potential of organic farming as a central plank in developing sustainable livelihoods for the rural poor. Helvetas and GTZ (the Swiss and German development agencies) explicitly support (non-certified) organic approaches to agriculture, as do Misereor and Weltfriedensdienst (two German NGOs). Elsewhere in Africa international support for organic approaches can be found amongst agencies with remits as varied as the Save the Children Fund UK and the Biodiversity Institute for Sustainable Development of the Global Environment Facility.

7.6 Research, Extension and Training

Agricultural research in Africa is quite fragmented between the international research centres (often under the umbrella of CGIAR), universities and field level research. Often there is inadequate communication between these different levels, particularly over research priorities. Disciplinary boundaries often inhibit the adoption of the holistic approach often required by an organic system. In addition the extension services in many countries are often understaffed, underfunded and demoralised. NGOs and church groups often play an important role in filling these gaps at the grassroots level. This general picture also holds true for the organic movement.

Nonetheless there are some outstanding examples of innovative organic research at all these levels. Pioneering research on organic farming techniques has emerged from the World Agroforestry Centre (formerly ICRAF) and the International Centre for Insect Physiology and Ecology ICIPE. Other centres, such as the International Institute for Tropical Agriculture IITA and the International Livestock Research Institute ILRI could potentially contribute to finding solutions to the problems facing organic farmers. However, many tensions exist between the between mono-disciplinary based science and industry based research priorities and those of the poorest farming communities. Solutions that would satisfy organic criteria can often prove to be inappropriate or unaffordable to small-scale producers. And often there is little commercial interest or available funding which do meet the needs of small scale farmers. A final further barrier to developing the potential of the organic sector is that much expertise and experience (of failures as well as successes) is locked away in the “grey literature” of project evaluations and consultants reports and rarely reaches the public domain.

Paradoxically organic and agroecological farming appears to thrive better in countries where the extension services have been worst affected by “restructuring programmes” as extension services have traditionally been the carriers of modernisation. Where they have been absent or ineffective farmers have been left to their own devices, and have often innovated with organic approaches rather than those that require (expensive and often unavailable) artificial inputs.

These issues are by no means unique to Africa, and despite these obstacles there is abundant evidence of innovative organic research through research institutes, universities, private sector led projects and farmers own experimentation. Disseminating the findings of these experiences – within both the research and farming communities, as well as developing research agendas that meet real life needs, are major obstacles for which need to be overcome.

7.7 Outlook

The fact that most African agriculture is by default low external input agriculture – but not necessarily organic – provides a potential basis for organic agriculture as a development option for Africa. Organic farming practices deliberately integrate traditional farming practices and make use of locally available resources. As such they are highly relevant to a majority of African farmers, who have often resisted Green Revolution, seeing them as inappropriate, risky and inaccessible.

The link between organic agriculture and social accountability must be emphasised. The benefits of organic agriculture must be seen to spread beyond trade. Most organic agriculture in Africa is non-certified – and will probably so for a while to come. There is need to develop domestic markets as well as new or alternative forms of standardisation and verification that suit the African context.

There is undoubtedly room for a substantial increase in certified organic production in Africa, and smallholders engaged in it often derive significantly benefits, improving their incomes as a result. Yet there are also significant constraints on the potential for developing. In part these are external, to do with the costs of certification, problems of infrastructure, maintaining links with distant markets and the vagaries of world markets. Yet also they are internal. The over-riding priority for African agriculture is that of achieving sustainable food security. Organic agriculture has a huge potential in helping meet this aim, which is only just beginning to be recognised.

The formal and informal organic sectors in Africa share much common ground. Yet because of their different orientations and the different actors involved, the potential for knowledge sharing and pooling of resources that undoubtedly

does exist is rarely realised. The development of networks between NGOs, development agencies and research institutes will be a necessary step along this path.

The opening of a new IFOAM service centre in Africa in early 2004 offers a potential bridge between these two expressions of the same movement and the possibility for the broad achievements of organic farming to be more widely appreciated and further expanded. It offers the opportunity for a more intensified effort to unite the growing organic sector in Africa into a model that can be sold to national governments. It provides a unique opportunity for more strategic lobbying and advocacy for the inclusion of organic agriculture, which provides a coherent sustainable option for agriculture, within national agricultural plans. It is indeed a unique opportunity for the organic movement in Africa, along with like-minded organisations – to speak with one voice.

7.8 Reference

Parrott, Nicolas and Bo Van Elzakker (2003): Organic and like minded movements in Africa. International Federation of Organic Agriculture Movements IFOAM. Tholey-Theley, Germany. Download www.ifoam.org/igo/africa_survey.pdf

Table 10: Land Under Organic Management and Number of Organic Farms in Africa

Source: SOEL-Survey, February 2005

Country	Date	Organic Hectares	% of Agricultural Area	Organic Farms	% of all Farms
Algeria	2003	1,400	0.003	+	
Angola	1998	0	0	0	0
Benin	2002	197	0.01	359	
Botswana	1998	0	0	0	0
Burkina Faso	1999	+		+	
Cameroon	2003	7,000	0.08		
Central African Republic	1998	0	0	0	0
Chad	1998	0	0	0	0
Djibouti	1998	0	0	0	0
Egypt	2003	17,000	0.50	500	0
Equatorial Guinea	1998	0	0	0	0
Eritrea	1998	0	0	0	0
Ethiopia	2003	+		35	
Gambia	2003	+		+	
Ghana	2003	19,460	0.13		
Guinea-Bissau	1998	0	0	0	0
Kenya	2003	90,000	0.34	30,000	
Liberia	1998	0	0	0	0
Madagascar	2002	130		300	
Malawi	2002	325	0.01	13	
Mali	2003	+		+	
Mauritius	1995	175	0.15	3	
Morocco	2003	20,040	0.07	12,051	
Mozambique	2001			5,000	
Namibia	1998	0	0	0	0
Niger	1998	0	0	0	0
Rwanda	1998	0	0	0	0
Senegal	2001	2,500	0.03	3,000	
Seychelles	1998	0	0	0	0
Somalia	1998	0	0	0	0
South Africa	2001	45,000	0.05	250	
Sudan	2003	430		1	
Swaziland	1998	0	0	0	0
Tanzania	2003	55,867	0.14	30,000	
Togo	2003	90	0.002	1	
Tunisia	2003	33,500	0.34	580	
Uganda	2003	122,000	0.99	33,900	
Western Sahara	1998	0	0	0	0
Zambia	2003	20,000	0.06	2,425	
Zimbabwe	2001	40		10	
SUM		435,154		118,428	

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8 Asia

Vitton Panyakul¹⁶ and Ong Kung Wai¹⁷



Figure 11: Organic farming in Asia.

Source: SOEL Survey, February 2005

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Vitton R. Panyakul has been working with the Thai organic movement since 1991. In 1994, Vitton with his colleagues started Green Net, the first national organic food distributor in Thailand where he served as Executive Director. From 1995, Vitton was involved with the establishment of the national Organic Agriculture Certification Thailand (ACT), the first local certification body in the country. He served as the ACT General Manager until December 1999. Vitton is currently a member of the IOAS Board as well as accreditation committee.

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Ong Kung Wai works with certification and policy issues at Grolink. He is also the Assignment Editor of The Organic Standard. He is currently Chairperson of Organic Alliance Malaysia (a national association for organic operators), Management Committee member of ACT Control (an Asian regional inspection service), IOAS Board member since 1996 and IFOAM Norms Management Committee member.

8.1 General

Organic agriculture in the Asia region continues to enjoy steady expansion in 2004. The expansion, reflecting the uneven stage of development between countries, is unevenly distributed. The region's geographical spread of Russia to the North, Japan to the East, Indonesia to the South and Israel to the West hosts a spectrum of sector development stages. Sector development in the region, in general, may be placed into four categories (see table).

Table 11: Stage of organic development in the countries of Asia

	Export/ Import	Local Certification	Level of organic development	Govt. Regulation
Bangladesh	E	-	Pioneer	-
Bhutan	-	-	Pioneer	-
Burma	-	-	Pioneer	-
Cambodia	-	-	Pioneer	-
China	E	X	Local sector	X
East Timor	E	-	Export oriented	-
India	E	X	Local sector	X
Indonesia	E	X	Export oriented	-
Israel	E	X	Local sector	-
Japan	I	X	Mainstreaming	X
Korea	I	X	Mainstreaming	X
Laos	-	-	Pioneer	-
Malaysia	I	X	Local sector	X
Nepal	E	-	Pioneer	-
Pakistan	E	-	Export oriented	-
Philippines	E	X	Local sector	-
Singapore	I	-	Local sector	-
Sri Lanka	E	X	Local sector	-
Taiwan	I	X	Mainstreaming	-
Thailand	E	X	Local sector	X
Vietnam	-	-	Export oriented	-

Overview: Key features of organic agriculture development stage in the Asian countries

Pioneer	<ul style="list-style-type: none"> -Sustainable agriculture & rural development emphasis instead of organic market development. -NGO extension of organic principles to small family producer as a tool to reduce expenditure and health impact from use of chemical inputs. -Informal non-certified production and marketing. -Insignificant government involvement
Conversion for export	<ul style="list-style-type: none"> -Exploitation of export opportunities as a business option not necessarily including an agenda for change in the larger agriculture/development context. -Conversion of organised grower groups, large commercial farms and plantations linked to foreign market "partners"(buyers). -Presence of foreign certifiers (no local certifiers)Few certified products in the local market. -Government involvement (minor to major) -Local organic movement not well organised
Emergent local organic sector	<ul style="list-style-type: none"> -Arising recognition of a shared national development interest between advocacy & business segments of ten reflected in the presence of a functioning forum (formal/informal) for dialogue and national level strategic development planning, e.g. standard setting and certification, government lobbying. -NGO-supported organic extensionOrganic research and training coursesInvolvement of private small and medium enterprises (small scale processing)Local market uptake, including supermarkets (presence of imports and local organic brands) -Organised local organic movement (including local certification bodies) -Major government involvement (regulation, certification & accreditation)
Mainstreaming and agribusiness development	<ul style="list-style-type: none"> -Wide spread production including contract farming linked to conventional processors/exporters -Market regulation

Countries with a strong economy or highly developed agriculture sector exhibit higher expansion than those with a weak economy or less developed agriculture sector. Foreign market access and export remain key contributing factors to the growth of Asia's organic agriculture sector. China, for example, is one of the top producer countries reflecting its favourable access to the Japanese and European markets respectively. Japan remains the largest organic consumer market in the region.

The Asia region is expected to display interesting growth and development in organic agriculture for many years to come as long as regional political and economic conditions remain stable.

8.2 Production and Markets

Development of organic production in Asia comes mainly from two streams. The first is the sustainable agriculture and development-oriented NGO movements. They are the pioneer groups in many countries and for many of them organic agriculture is a development tool for poverty reduction (through more self-reliant production). Some in this stream have evolved into market-oriented production as they start to work with the market opportunities emerging locally and internationally. The second stream comprise of business enterprises with some involvement in food production, manufacturing and trade who converted their operations to diversify and enter the growing organic market. In the early development stage, the two streams hardly interact with each other. As the organic movement within a country grows and becomes more mature, collaboration between the two streams emerges.



Picture 7: Typical agrarian landscape in the Cameron Highlands of Malaysia. Photograph: Ong Kung Wai

A large amount of organic production in Asia is organised as grower groups either by the producers themselves or through contracts with export companies. In some countries, the private exporters cultivate their own large-scale organic farmland.

An interesting and encouraging emerging trend in Asia is the involvement of small and medium organic enterprises (SMEs). Often educated overseas, these young entrepreneurs take keen interest in organic farming and marketing. Many have no family background in farming or food trade, they nevertheless enthusiastically get involved in organic farm production and organising local market development. If this trend continues, the young generation may contribute to a significant change of the organic landscape in Asia in the next few years.

Organic productions in Asia are composed by and large of fresh produce and field crops with minimal value-added processing, e.g. dry/processed raw ingredients. Wild collected products and aquaculture also exist in many countries. Organic livestock production is generally not developed due to unavailability of organic feed and open pasture lands, with the exception of poultry and pork of very limited amounts for the Chinese domestic market. Aquaculture, mainly organic shrimp farming, on the other hand, is emerging in China, Indonesia, Vietnam and Thailand.

Exports continue to serve as the major factor for organic expansion, especially in the low income countries. Apart from the more affluent market countries like Hong Kong, Japan, Korea, Singapore and Taiwan, domestic organic markets are also emerging in China, Malaysia, Philippines, and Thailand. Premium prices for certified organic products in domestic markets are beginning to level off as more producers convert and competition from other suppliers increases, either from safe food or self-claimed organic. Uninformed consumers have

Picture 8:

Cultivation of vegetables under rain shelter in the Cameron Highlands of Malaysia. The produce is sold in the Kuala Lumpur. Photograph: Ong Kung Wai



problems to differentiate between organic and “safe food” labels, which are promoted by governments in the region. Market channels are moving away from specialised channels like organic fairs, farmer markets and small retail shops towards supermarkets and discount stores. Asian consumers are shifting their shopping behaviour toward modern shopping malls.

8.3 Standards, Certification & Regulation

Organic certification in Asia is by and large set up in response to import requirements of the major organic markets. Almost all of them follow the EU system as the EU import requirements are the oldest among the three-major organic markets. In the majority of the countries, there exist local organisations operating in the field of inspection and, to a lesser extent, certification services for local operators. Private standards are also available, but formal recognition within and outside the countries is limited. 91 certification bodies are identified to be operating in Asia - eight more than reported in 2003 (The Organic Standard: Organic Certification Directory 2004) - of which 66 are in Japan. Local certification bodies are relatively weak in comparison to the foreign certification bodies operating in the region. Out of the 31 IFOAM Accreditation Certification Bodies, only four are from Asia, i.e. Organic Agriculture Certification Thailand (ACT), Agrior (Israel), JONA (Japan) and the Organic Food Development & Certification Center of China (OFDC).

Many Asian governments seem to be bullish about organic market prospects. But due to poor information, they take keen interests only on developing national regulations instead of providing support to local production. Government support in general tend to focus more on safe food rather than organic agriculture as food safety standards, e.g. GMP & HACCP, set in place in importing countries for conventional exports take priority. Organic rules are already in place in a number of Asian countries including India, Japan, Korea Taiwan and Thailand. Organic rules tend to be mandatory in importing countries and voluntary in exporting countries.

8.4 Development Challenges

A critical challenge for Asian organic agriculture is how to sustain its expansion. Whilst more public and private organisations are becoming more interested in organic agriculture, the infrastructure and competencies to support organic conversion are still generally lacking as attentions and efforts are un-proportionally given to standards and certification development and not to organising the production and proper handling of market supply chains. More training of field staffs and persons responsible for organic production is needed to increase competencies and build up human resources. Appropriate post-harvesting measures as well as quality assurance systems are urgently needed if Asian organic industries are to meet with the increasingly food quality and standards requirements.

Whilst the appropriate role of governments is yet not well defined, it is widely recognised that governments should in general play a supportive role while farmers and the private sector remain the driving force in agriculture development. It is a fact that the driving force behind organic agriculture development worldwide has always been the farmers, consumers and the private sector. Further to setting regulations, aligning existing government technical and financial support systems to supplement the competencies of non-government organisations, farmer organisations and private sector would facilitate a more effective public-private partnership in developing the organic sector.

Developing more downstream processing of organic products is another challenge. With interesting but still limited volume numbers, working in collaboration with local conventional food processing industries will be necessary to overcome this challenge.

Consumer education needs further efforts to develop domestic markets in the region. Better communication can presumably be achieved through better collaborative efforts of local organic operators. Building national associations of organic operators or chambers of commerce would serve as a first step toward effecting such private sector collaboration.

Finally, governments need to consider the full implication to market development when setting organic regulations, particularly with respect to facilitating exports and recognition of imports. Domestic regulations in the region today offer little or no help to facilitate organic exports from the region. Other than the acceptance of Israel on the EU regulation third country list, no other recognition agreement has been reached between governments in the region (above list) with the two major markets outside of the region, i.e. EU and USA. No government to government recognition agreement has also been reached between governments within the region. Product flow out and within the region is facilitated largely through private certification bodies. Instead of setting up parallel systems, it may be more efficient and effective for governments to support existing private certification, particularly locally based certification bodies to do their work better. Formalising the participation of organic stake-holders in policy formulation and implementation of government projects can serve as a good measure for ensuring the relevance and appropriateness of government programmes.

8.5 Success Story: Organic India

*Frank Eyhorn*¹⁸

Organic farming in India is experiencing a real boom – when considering the number of farmers turning to organic practices, or the popularity of the topic among political leaders and in media. A large number of farmer groups, companies, NGOs, development agencies and government bodies promote organic farming in one way or the other. Whole villages and even State governments (as in the case of the States of Uttaranchal and Mizoram) have declared that they want to convert to organic farming.

Why does a country like India, being known more for persistent issues of poverty and food security than for environmental concerns, develop such affinity to organic agriculture? For many Indian farmers, the approach seems to offer a new option for ensuring their livelihood, as they can reduce production costs and, at the same time, gain access to markets with better prices for their products. In many crops, yields reach similar (though altogether mostly low) levels as in conventional fields, once farmers have succeeded in reversing the trend of deteriorating soil fertility through organic management practices. Latest data from a research project on organic and conventional cotton farmers in Central India confirm the favourable economy of organic farms¹⁹.

The Indian Government has also realised that organic agriculture offers opportunities for poverty alleviation as well as export earnings. In 2000, an agricultural export promotion agency under the Ministry of Commerce has taken the lead in developing the National Program for Organic Production (NPOP), framing national standards and certification guidelines (see www.apeda.com). Besides the international certifiers like IMO, SKAL, Ecocert, or Naturland with offices in India, some Indian organic certification bodies have also been accredited under NPOP, the largest of them being INDOCERT²⁰. In the meantime, the Ministry of Agriculture has also come up with plans for a National Project for Organic Farming, and considerable funds have been allocated to it under the 10th Five-year-plan.

However, the Indian organic sector is still scattered and its development lags far behind its actual potential. In October 2003, a group representing the various

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² <http://www.fibl.org/english/cooperation/projects/maikaal.php>

³ <http://www.indocert.org/>

⁴ <http://www.iccoa.org/>

stakeholders has taken the initiative to form a competence centre which shall act as an interface organisation and provide information, advice, and capacity building to the sector – the Indian Competence Centre for Organic Agriculture ICCOA²¹. As the development of markets now emerges as the main bottleneck, a first project of the competence centre aims at facilitating market access for organic producers. While India could have a growing share in supplying export markets, the Indian domestic market for organic food appears as a ‘sleeping giant’ which is about to wake up. Surprisingly, it is not only the upper society which is increasingly health aware and ready to pay a higher price for quality food. Middle-class families seem to be the more promising clientele, as experience from a number of smaller initiatives selling organic products in towns and cities have shown. Some innovative supermarket chains and food brands, as also a number of producer companies and co-operatives, are now exploring this potential market.

Provided the stakeholders manage to set-up reliable and efficient supply chains linking organic farmers with consumers, we can expect India to become an important player in the organic world in the near future.

Table 12: Land Under Organic Management and Number of Organic Farms in Asia

Source: SOEL-Survey, February 2005

Country	Date	Organic Hectares	% of Agricultural Area	Organic Farms	% of all Farms
Azerbaijan	2003	2,770	0.06	310	0.82
Bangladesh	2002	177,700	1.97	100	
Bhutan	2004	13			
China	2003	298,990	0.05	1,050	
India	2003	76,326	0.04	5,147	
Indonesia	2001	40,000	0.09	45,000	
Iran	2003	200		1	
Israel	2003	5,640	1.00	400	
Japan	2004	29,151	0.56	4,539	
Jordan	2004	7		4	
Kazakhstan	2002	36,882	0.02	1	
Rep. of Korea	2004	18,936	0.98	1,451	0.115
Kyrgyzstan	2003	+		1	
Laos	2003	35		55	
Lebanon	2004	758	0.23	164	
Malaysia	2003	600	0.01		
Nepal	2001	45		26	
Pakistan	2001	2,009	0.01	405	0.08
Philippines	2003	3,500	0.03	500	
Russia	2003	6,900		15	
Sri Lanka	2001	15,215	0.65	3,301	
Syria	2003	260		2	
Thailand	2003	13,900	0.07	2,498	0.05
Vietnam	2002	6,475	0.07	1,022	
SUM		736,312		65,992	

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9 Australia / Oceania

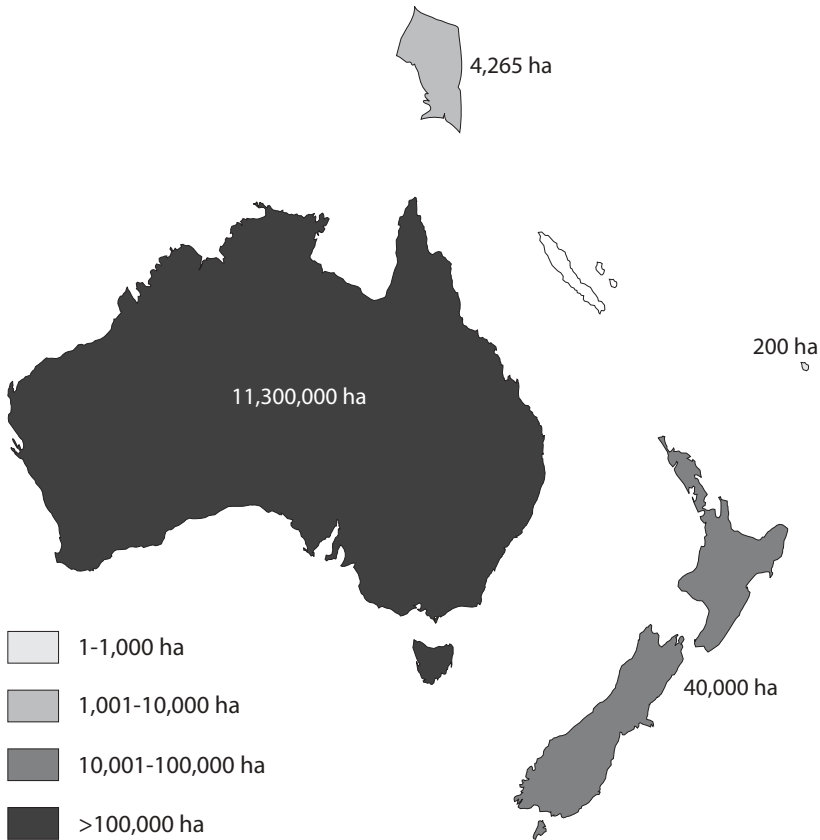


Figure 12: Organic farming in Australia / Oceania.

Source: SOEL Survey, February 2005

Australia/Oceania includes Australia and New Zealand as well as smaller countries such as Papua New Guinea, Fiji, Tonga and Vanuatu. Australia has more land under organic production than any other country in the world. Most of this is dedicated to extensive beef enterprises. The region's growth in organic trade is heavily influenced by the increasing demand for organic food and fibre products in Europe, Asia (especially Japan) and Northern America. There are three IFOAM-accredited certifiers – The National Association for Sustainable Agriculture Australia Limited (NASAA) and Biological Farmers of Australia (BFA) as well as BIO-GRO (New Zealand).

9.1 Organic Farming in Australia

Els Wynen²²

9.1.1 History

In the early 1980s organic agriculture was of interest to two main groups in Australia. The first consisted of farmers, the second of regional and state-based organic gardening-farming organisations. Many of the farmers were geographically isolated and didn't know of the existence of other organic farmers. The main reasons given by broadacre farmers for converting to organic agriculture was having experienced significant problems with their own or family's health or that of their crops or livestock when farming conventionally and feeling that drastic changes were needed to solve those problems (Wynen 1990).

The gardening-farming organisations usually operated in the capital cities of the six states, also in isolation due to the large distances between cities. In the 1980, there was a growing perceived need for cooperation and for combining the efforts of all forces in organic agriculture, though biodynamic farming was organised under the leadership of Bob Williams and Alex de Podolinski well before the 1980s.

In 1984, the idea of an umbrella organisation that combined all forces interested in organic agriculture, including producers, consumers, traders, and researchers, was presented by Sandy Fritz at several state and national events. By early 1986 an agreement was reached on a constitution and a structure for the national organisation, and NASAA was formally inaugurated. It was incorporated in early 1987. Its stated aims were to establish a communication network to assist organic growers in resolving common problems; to influence the direction of agricultural research and policy; to lobby government to reduce policy and marketing obstacles to organic practices; to bring organic farming to the attention of the mainstream agricultural industry; and to increase public awareness about organic growing. Although many of the objectives were producer-oriented, care was taken to involve all stakeholders, including consumers.

The first signs of a second certifying organisation appeared in late 1986, when one of the cereal-livestock farmers – Gavin Dunn - proposed to set up another organisation, which resulted in the formation of the Biological Farmers of Australia (BFA) in 1987. This organisation had as its main aims to provide information about organic agriculture to interested farmers and to establish a certification service, adopting the – slightly modified - NASAA standards.

¹ Eco Landuse Systems, Canberra, Australia (www.elspl.com.au).

In the early 1990s, the area under organic management was estimated to be 150,000 ha for 1990, which had grown to 318,000 ha by 1995, with 420 producers (Hassall and Associates 1995). The estimate for 2003 is 11.3 million ha and 1730 producers (Ian Lyall, AQIS, personal communication, January 2005), representing 2.5 percent of total agricultural area in Australia - similar to the average of 2.4 percent of OECD countries (Pillariseti 2002). The dramatic increase in area under organic management in the last decade is mainly due to certification of pastoral (extensive beef grazing) areas. Other important areas of production include grains (wheat, rye, barley, oats, rice and oil seeds); fruit and vegetables, which are produced all year around; wine; dairy products (a rapidly growing sector); sheep, both for meat and wool; and herbs. The estimated number of organic farmers includes both established and in-conversion producers, and double-counts those who are certified by more than one certifier – probably not many.

9.1.2 Certification

Europe has always been a major market for Australian organic produce. The introduction of EC Reg. 2092/91 in 1991 altered requirements for imports of organic products, which meant that official certificates must accompany imports into the EU. To meet these requirements, government accreditation of organic certification organisations became necessary in Australia, and the government (through the Australian Quarantine and Inspection Service (AQIS)) became involved in the accreditation of the private certifiers. In the 1990s, more organic certifying organisations than the Bio Dynamic Research Institute (BDRI), NASAA and the BFA (the certification arm of which is now called Australian Certified Organic) emerged, including the Organic Vignerons Association of Australia (OVAA), which merged with the BFA in 2001; the Organic Herb Growers' Association (OHGA), which recently changed to the Organic Growers Association; the Tasmanian Organic-Dynamic Producers (TOP); the Organic Food Chain (OFC), an off-shoot of the BFA; and Safe Food Production Queensland (SFPQ). The Organic Retailers and Growers Association of Australia provides an industry-based certification program for retailers and wholesalers.

Of the seven approved certifying organisations, five are listed under European and Swiss law, and as such can provide inspection and certification services for all Australian export consignments; six organisations provide inspection and certification services for products exported to Japan; two organisations have 'conformity assessment' arrangements with the USDA NOP; while other countries such as New Zealand, Korea, Malaysia, Thailand, Singapore, Canada currently accept Australian 'certified' produce which has been issued a government organic export certificate to verify its authenticity (Ian Lyall, AQIS, personal communication, January 2005). At present, no foreign certification

bodies are operating in Australia, and no local certification bodies work in association with international certification bodies.

Organic production and processing in Australia has been prescribed by the National Standard for Organic or Biodynamic Produce since 1992; this National Standard was amended in 1998 and revised again in 2002. It stipulates the requirements for crop production, animal husbandry, food processing, packaging, storage, transport and labelling, as well as complementing Australia regulatory requirements such as environmental management, food safety, and animal welfare (Organic Produce Export Committee 2002). The standards specifically cover requirements for the export of organic produce, but do not legally define 'organic' for the domestic market. This is a source of two potential problems for the organic industry in Australia. Although laws exist under the State/Territory Food Acts (which draw their legal standing from the National Trade Practices Act) under which those who sell uncertified produce could be legally challenged on the basis of false and misleading labelling, success under this process is not guaranteed. No other legislation protects the consumer of organic produce in Australia against false labelling. The second problem is that, due to WTO rules relating to national treatment, the Australian government can't prohibit imports of non-certified products labelled as organic.

9.1.3 Market

In the late 1990s, organic products were reported to account for only 0.2 percent of food retail sales nationally (Invest Australia and KPMG 1999, p.15). Only a few consumer studies are undertaken in Australia. Results of some show that, while there appears to be some positive correlation between income and the demand for organic food, no clear delineations can be made with respect to the consumption of organic food according to gender, income, age or education (Queensland Department of Primary Industries QDPI 2002; Smith 2003). Lockie and Donaghy (2004) found, however, that consumers of organic produce were more likely to be women, educated, and have at least middle-level incomes. They also reported that '...the attitude that stands out to many consumers in relation to organic systems is the perceived opportunity they offer for improved environmental outcomes', but that the premiums were higher than many were willing to pay. Other authors also cite price as an obstacle to a more rapid expansion of the Australian market for organics, in addition to quality concerns, availability, inconsistent labelling, and product recognition (Dumaresq & Greene 1997; Invest Australia and KPMG 1999; Lyons *et al.* 2001).

Current market figures for Australian organic produce are not available, and industry figures therefore need to be treated with caution. Farm-gate values for organic products in the early 2000s were estimated to be around \$A100 million (€60 million²³). Wynen (2003) estimated farm-gate values including

organic produce sold as conventional in 2000-2001 at \$A89 million (€54 million), and Halpin (2004, p.20-21) - excluding organically grown produce sold as conventional - at \$A127 million (€77 million) for 2003. However, estimates of retail values differ greatly, varying from less than \$A100 million (€60 million) for 2000- 2001 (Wynen 2003) to \$A250 million (€151 million) (BFA 2003), and \$A400 million (€240 million) at which NASAA put the retail value in 2003.

Not all products get sold on the organic market. Wynen (2003) estimated a range of between ten percent (sheep meat) to 95 percent (fruit and vegetables) being sold in the organic market, with almost three quarters of the total grains sold as organic, two thirds of beef, and half of the organic milk supply in 2000-2001. For 2003, Halpin (2004, p.17) obtained higher figures for all categories, except for fruits and nuts, and cereals, although figures may not be strictly comparable. Almost all of the pork, poultry and eggs, not differentiated by Wynen, sold as organic. 2002-2003 was a drought year in Australia and assuming a stable demand, with a depressed production there would have been a relative high demand for the available organic produce – with effects on prices.

On the domestic market, organic produce receives a substantial price premium over that of conventionally grown produce. For cereals and livestock products price premiums were reported by AQIS as ranging between 50 and 75 percent, while for fruit and vegetables the premium was said to be usually between 50 and 60 percent (see FAO 2002, p.71); though price premiums of up to 100 percent were considered not to be uncommon (Bulletin 2001). Halpin and Brueckner (2004, p.70) report higher premiums in 2003. The weighted average price premium of all goods were calculated as being 80 percent, with several products scoring over 100 percent, such as wholemeal flour, muesli, olive oil, spagethi (the highest at 287 percent), several vegetables (beans, zucchini, carrots), hard cheese and minced beef.

The pricing of organic food will continue to be a key determinant of consumer demand for organic produce and market growth, especially since it appears that current price premiums are set above levels many consumers accept (see for instance Pearson 2001; Queensland Department of Primary Industries QDPI 2003).

Exports of Australian organic produce have been mentioned as being \$A 50 million (€30 million; Austrade 2003). Europe is the key export market for Australian organic products, at least in quantities exported. Australia records its exports only in weights, not value. In 2001, Europe accounted for over 70

²³ Exchange rate late November 2004: €1 = \$A 1.66.

percent of Australian organic exports, with the main destinations being the UK, Italy, Switzerland, France, the Netherlands and Germany (Austrade 2003). More recently, though Europe is still the main market in quantity exported, the significance of the individual countries has changed somewhat. Especially France and Belgium are becoming more important, but other countries such as Japan, USA, Singapore, and Hong Kong have emerged as promising future export markets for Australian produce (Halpin and Sahota 2004, p.110). The primary products for export in 2003 were, in decreasing order of importance of quantity, grains; processed products; drinks and juices; and meat products. However, in terms of value, the order may well be different, and the importance of export destinations for Australia may also be different from when only quantities are considered.

Australia also imports organic products, though the total value of imported organic produce is unknown. According to McCoy and Parlevliet (2000, p.62) imports in the late 1990s were mostly of processed grocery lines, such as coffee, pasta sauces, olive oil, soy drink, preserves and the like, primarily from the UK and the USA. Crothers reported in 2003 that some commodities were imported to fill temporary short-falls in domestic production, such as kiwi fruit and fresh produce from New Zealand. For 2003, Halpin and Sahota (2004, p.112) estimated imports valued at \$A13 million (€8 million), with the main sources being New Zealand, the USA and the UK. Products nowadays include not only food and drinks, of which more than half is processed, but increasingly non-edible items such as cotton and personal care products are imported.

9.1.4 Policy Support

As Australia's agriculture is export oriented, growth in the organic industry has been strongly influenced by rapidly growing overseas demand. There is little government support to encourage organic agriculture *per se*. Accreditation services are provided, although the certification organisations have to pay for these services. The term 'organic' is not protected in the domestic market place, despite numerous efforts from the organic sector to encourage government to regulate for it. Many possibilities exist for government assistance in the farming sector in general, to help with developing innovations, overcoming marketing problems, attending courses, etc. These are detailed in DAFF (2004, Chapter 9), but most are available to all farmers. There is one research program (part of the Rural Industries Research and Development Corporation) devoted to organic agriculture since 1996, that has made available up to \$A 270,000 (€163,000) per year to research and extension, with an increase to \$A335,000 (€202,000) for the year 2004-2005. Attempts over the last few years to have organic research lifted to a higher level of intensity with extensive commercial involvement and requiring increased government support have failed. Most of the six state departments of agriculture have at least one officer dedicated to organic agriculture.

9.1.5 References

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9.2 New Zealand

*Seager Mason*²⁴

9.2.1 Introduction

Organic agriculture in New Zealand has developed rapidly over the last 20 years. The most rapid growth has been since the mid 1990s, driven by various factors such as opposition to genetic engineering and other environmental and food safety concerns. There is wide recognition in New Zealand of the important role that organic farming can and does play in moving agriculture and food production towards more sustainable practices, as well as recognition of the value of producing high quality certified organic products for export and domestic markets.

Through the development of the New Zealand Organic Sector Strategy, there is now political recognition of the commercial potential of organic farming, as well as recognition of the importance of organic farming in helping to underpin New Zealand's clean green image as a producer of high quality agricultural products and as a tourist destination.

9.2.2 Statistics

New Zealand has about 950 certified organic producers, with about 40,000 hectares of certified organic farmland. Most food and beverage products are now available as certified organic.

The main types of organic primary production in New Zealand are kiwifruit, apples, fresh and process vegetables, dairy, and meat. The most successful organic sectors so far are kiwifruit and pipfruit. Organic kiwifruit production represents about five percent of the total production of kiwifruit in New Zealand, and organic apple production also represents about five percent of the total production of apples in the New Zealand. However, these two sectors appear to have "matured", as there is little or no growth at the moment in kiwifruit and pipfruit orchards converting to organic farming.

Current growth sectors are dairy and viticulture. A wide range of top quality dairy products are available on the domestic market and being exported, and we are enjoying the increasing number of top quality certified organic wines that are available.

Some current statistics:

²⁴ Seager Mason, BioGro New Zealand, Technical Director, Wellington, New Zealand

- **Certified producers:** Approximately 950 certified producers comprising 780 primary producers, 110 processors and exporters, and 60 certified suppliers of inputs (fertilisers etc).
- **Certified land area:** Approximately 40,000 hectares certified land.
- **Exports:** Approximately 80 million NZ \$ (ca. 42 million Euro) worth of products exported, growing at approximately ten percent per year.
- **Domestic market:** Approximately 100 million NZ \$ (ca. 53 000 million Euros) worth of products sold on the domestic market - approximately half of this produced in New Zealand, the rest is imported. Growth of about 20 percent per year in the domestic market.
- **Kiwifruit:** Organic production is about five percent of the kiwifruit sector.
- **Pipfruit:** Organic production is about five percent of the pipfruit sector.
- **Vegetables/cropping:** Organic production is about two percent of the sector.
- **Dairy and meat:** Organic production is still less than one percent of the sector.
- **Certifiers** (approximate numbers): BioGro 500 producers, Demeter 50 producers, Organic Farm NZ (new small scale producers scheme) 150 producers, Agriquality 250 producers.

9.2.3 Markets

Domestic

New Zealand's domestic market grew very rapidly over the period 2000 - 2002, by more than 100 percent each year. This growth was due to a variety of factors, but in particular because of:

- Rejection of genetic engineering;
- The increasing range and high quality of organic products on the market;
- Increasing number of outlets, particularly supermarkets, stocking organic products;
- Many people wanting to support organic farming as being the best way forward for New Zealand's agriculture and food production.

Most supermarkets now stock at least some organic products, and some supermarkets are specialising in organic products due to customer demand.

Organic shops are increasing in number and size, with some of the successful organic shops becoming small to medium size organic supermarkets, and there are now some chains of organic shops. The domestic market continues to grow but the growth has slowed over the last two years.

Export

New Zealand's economy is reliant on exporting, and agricultural products are New Zealand's main exports. Exports of organic products have grown steadily over the last 14 years, and are currently more than 80 million NZ \$ (ca. 42 million Euros) per year.

Growth of organic exports has slowed over the last three years due to little or no overall growth in farms converting to organic farming. Demand for exports of organic products in most sectors far exceeds supply. The New Zealand Organic Sector Strategy has recognised the need to assist farmers with information on market opportunities and conversion.

9.2.4 Standards and legislation



Picture 9: The picture shows greenhouse crops - pumpkins and beans - which are some of the typical summer crops for New Zealand. More than one crop is grown together. Photograph: Seager Mason



Picture 10: Red Poll breed, which are one of the breeds that is becoming popular for organics in New Zealand because they are a healthy and easily managed breed. Photograph: Seager Mason



Picture 11: The picture shows a common organic practice in New Zealand of having poultry as part of the production cycle with crops. Photograph: Seager Mason

New Zealand Standard for Organic Production

The New Zealand Standard for Organic Production was released in November 2003. This was developed with Government funding under the auspices of Standards New Zealand. At this stage it serves as a benchmark for certifiers operating in the domestic market. It is a voluntary standard, it is not mandatory, so consumer protection is through the Fair Trading Act, with reference to the New Zealand Standard as required. There are no specific organic labelling laws in New Zealand.

Export

Exports to EU and USA are via the New Zealand Food Safety Authority (NZFSA) Official Organic Assurance Programme (OOAP). Through this programme New Zealand has Third Country Listing with EU, and the recognition of the United States Department of Agriculture (NSDA) for its National Organic Programme (NOP). The certifiers such as BioGro operate as Third Party Agency certifiers for the OOAP. NZFSA have also applied to the Japanese Ministry of Agriculture for acceptance of the OOAP for Japan access, but this is not yet in place. At the moment certifiers like BioGro have access to Japan through their Recognised Certification Organisation arrangement with ICS Japan. BioGro also has recognition for access to Quebec.

Imports

There are still no controls on imports labelled “organic” other than certifiers setting their own standards for recertification, and through the Fair Trading Act.

9.2.5 State Support

There is a small amount of Government support for organic farming in New Zealand. The main recent examples are:

New Zealand Organic Sector Strategy

A Government funded Organic Sector Strategy was released in November 2003. A key recommendation is for the formation of a peak industry body which will co-ordinate initiatives in the organic sector. This body will take on the co-ordinating role which has been provided by OFANZ (Organic Federation of Aotearoa New Zealand) on a voluntary basis up to now. The strategy has set an ambitious target of 1 billion NZ \$ (ca 0.53 billion) worth of sales by 2013.

Organic Farm New Zealand

This is a scheme for certification of small scale producers, which was developed with Government funding. The scheme is based on “pods” (groups) of producers, regionally based, with each pod able to operate their own certification system, but linked to a national co-ordinating body. Through voluntary input, this provides low cost certification for small scale producers.

Other

There is no direct Government financial support for primary producers converting to organic farming.

9.2.6 Research and Extension

Organic research in New Zealand is carried out mainly by crown research institutes, universities, and the private sector. One example is an organic research farm which is a joint venture between a University and a food processing company. There are also some producer groups such as in the organic kiwifruit, pipfruit, dairy, viticulture, and avocado sectors, which have significant input into co-ordinating research and extension. In general the view is that research funding for organic farming is inadequate, particularly as developments in organic farming typically benefit conventional production also. It is well recognised that most of the knowledge base in organic farming is with the experienced producers, and most of the “research” happens on farm as successful farmers develop their production systems.

Several Universities and other tertiary institutions offer courses and training in organic farming. There are an increasing number of agricultural advisers who offer consultancy services for organic producers.

9.2.7 Outlook

Political

Through the launch of the New Zealand Organic Sector Strategy, there is now Government acknowledgement of the importance of organic farming in New Zealand, but still only limited Government support.

Genetic Engineering

Genetic Engineering has been a major issue in New Zealand, and was the number one issue in the last general election in July 2002. There was a moratorium on commercial release of GMOs until October 2003, but in spite of majority public and industry support for it to remain, that was lifted. Because

of the strong opposition to genetic engineering no applications for commercial release have been made at this stage, and any that are made will meet fierce resistance. There is a very active movement for New Zealand to remain GMO-free, and it is supported by a majority of New Zealanders. Genetic Engineering remains an important issue for New Zealand's organic sector.

Other

A key issue for New Zealand's organic sector is lack of supply. The only solution is to encourage more farmers to convert, by providing advice and research to support conversion, and the various organic organisations such as BioGro and the sector groups are doing the best they can within their resources to facilitate this support.

Table 13: Land Under Organic Management and Number of Organic Farms in Australia / Oceania

Country	Date	Organic Hectares	% of Agricultural Area	Organic Farms	% of all Farms
Australia	2003	11,300,000	2.48	1,380	1.4
Fiji	2000	200	0.04	10	
New Zealand	2003	40,000	0.24	780	
Papua New Guinea	1995	4,265	0.41		
SUM		11,344,465		2,170	

Sources

Australia: Ian Lyall, AQIS, Canberra, Australia.

Fiji: Seager Mason, Bio-Gro NZ, P.O. Box 9693, Wellington Mail Centre, Phone: +64-4-5895366, smason@bio-gro.co.nz

New Zealand: Seager Mason, Bio-Gro NZ, P.O. Box 9693, Wellington Mail Centre, Phone: +64-4-5895366, smason@bio-gro.co.nz

Papua New Guinea: International Trade Centre UNCTAD/WTO, Organic food and beverages: World supply and major European markets, Geneva 1999, www.intracen.org/itcnews/newsrel/182eng.htm

10 Europe



Figure 13: Organic farming in Europe.

Source: SOEL - FiBL Survey, February 2005

10.1 Organic Farming in Europe: General Development - Statistics – State Support – Research

Helga Willer*

10.1.1 Statistical Development: Continued Growth

Since the beginning of the 1990s, organic farming has rapidly developed in almost all European countries. Growth has, however, slowed down recently. In Europe almost 6.3 million hectares were managed organically by almost 170,000 farms (2003). In the European Union almost 5.7 million hectares were managed organically by more than 143'000 farms. This constituted 3.4 percent of the agricultural area and 1.5 percent of the farms in the EU. The increase compared to the previous year is mainly due to the accession of the new member states as well as a strong increase in Greece, due to the recent implementation of the EU-regulation on organic animal husbandry. In the "old" EU (15) there was a slight growth in land, but a decrease in the number of farms, due to a drop in the number of farms in Italy.

The difference between individual countries regarding the importance of organic farming is substantial. More than twelve percent of agricultural land is organic in Austria, ten percent in Switzerland, around seven percent in Finland, Italy and Sweden. Some countries have yet to reach one percent. The country with the highest number of farms and the greatest number of hectares is Italy. Almost one fifth of the EU's organic land and almost a quarter of its organic farms are located here.

A complete overview of the statistical development of the organic sector since the 1990s is available at the homepage of the Organic Centre Wales. As part of the European project "Further development of Organic Farming Policy in Europe, with Particular Emphasis on EU Enlargement" (<http://www.irs.aber.ac.uk/EUCEEOPF/>) the figures on organic farming in Europe are currently consolidated. The consolidated figures should be available at the web site www.organic.aber.ac.uk/stats.shtml during 2005.

Current problems with organic statistics include that production data are not collected or supplied in a homogeneous way and that the inspection bodies' data differ from those of the official farm structure survey. Market data are hardly available. The European Project European Information System for Organic Markets (www.EISfOM.org) aims to supply tools for improving the data quality (markets and production) as reliable data are important planning tools for policy makers and traders. Recommendations are for instance that

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detailed data collection should be obligatory, that collection of consumers and market data should be improved and that data should be more easily accessible (Recke et al 2004).

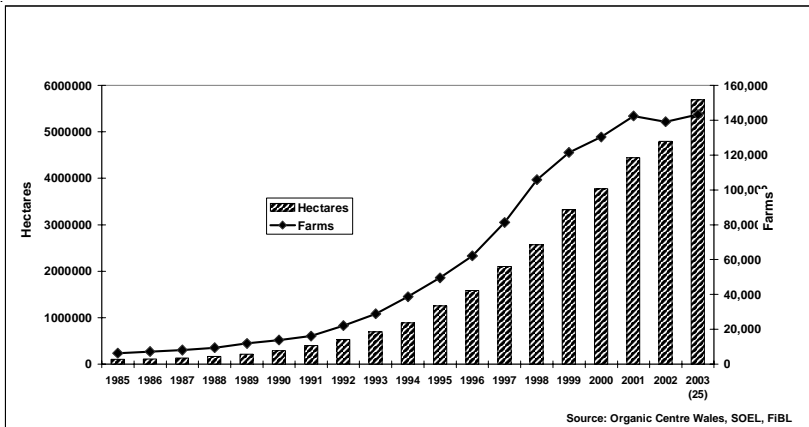


Figure 14: Development of land under organic management and of organic farms in the European Union 1985 to 2003

Source: Organic Centre Wales, SOEL, FiBL

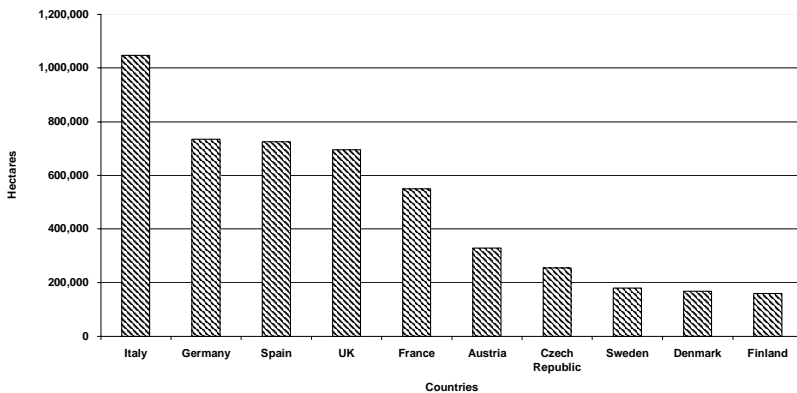


Figure 15: Organically managed area in Europe: The 10 Countries with the highest area of organic land (European Union, EFTA countries) per 31.12.2003

Source: FiBL

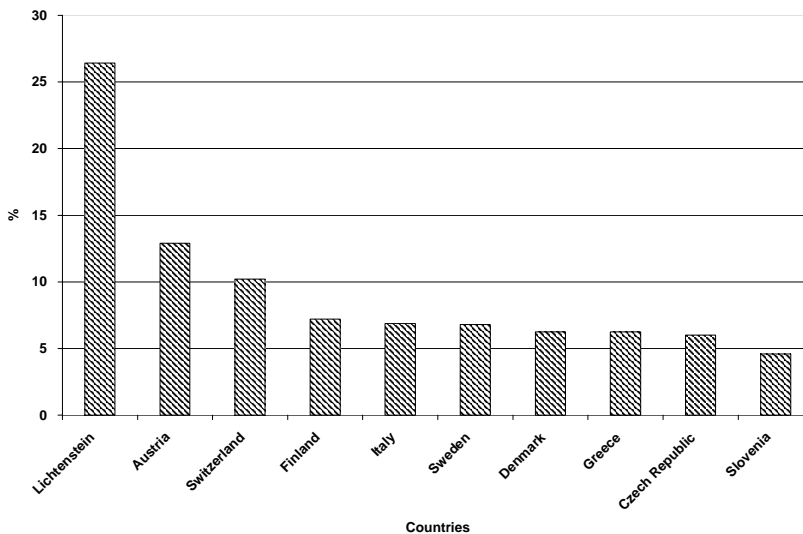


Figure 16: Organically managed area in Europe: The 10 countries with the highest share (percent) of organic land (European Union, EFTA countries) per 31.12.2003

Source: FiBL

10.1.2 Milestones in the History of Organic Agriculture in Europe

- 1924 Beginnings of organic agriculture in Germany with Rudolf Steiner's course on bio-dynamic farming; in the 1930s and 1940s the first bio-dynamic associations are founded in Europe ("Demeter")
- 1930s/40s Dr. Hans Mueller active in Switzerland (organic-biological farming, which is now the most common organic farming practice in the German speaking countries; represented by "Bioland", "BioSuisse")
- 1946 Soil Association founded in the U.K. by Lady Eve Balfour (organic farming)
- 1972 International Federation of Organic Agriculture Movements IFOAM founded
- 1973 Research Institute of Organic Agriculture FiBL founded in Switzerland, now the largest organic research institute world-wide
- 1975 Foundation Ecology & Agriculture SOEL founded in Germany
- 1980s Most of the organic associations and organisations founded

- 1990 First BioFach Fair takes place in Germany, now the biggest fair for organic products world-wide
- 1991 IFOAM European Union Regional Group founded
- 1991 EU Regulation 2092/91 on organic agriculture published in the official Journal of the European Commission; the regulation became law in 1993
- 1992 EU regulation 2078/92 published in the official Journal of the European Union. Area based support for organic farming is granted in almost all European Union countries since 1994
- 1995 First action plan for organic farming launched in Denmark
- 2000 Agenda 2000 implemented including continuation of the area-based payments as well as other support measures for organic farming (Rural Development regulation No. 1257/1999)
- 2001 January, BSE crisis in Europe, resulting in a major shift in attitude in favour of organic farming
- 2001 May, Copenhagen: First steps taken towards a European action plan for organic farming
- 2003 European consultation on the action plan for organic farming
- 2003 Numerous organic farming related research projects accepted under the first call of the sixth framework programme for European Research and Technological Development
- 2004: European Action plan for Organic Food and Farming published

10.1.3 The IFOAM European Union Regional Group

The Regional Group European Union (IFOAM EU Group) of the International Federation of Organic Agriculture Movements (IFOAM) was founded in 1991. It unites the interests of the European organic sector. Each European country has a representative and a substitute on the board of the group. The group meets three times a year, and one meeting takes place in Brussels for information exchange with the European Commission. A major step in the year 2003 was the establishment of a Brussels office, funded by the organic sector or public monies of the member states. In 2004 a co-ordinator was employed. A newsletter which informs on developments of the European organic sector is now published regularly and distributed to the members of IFOAM. Information is available at the groups website at http://www.ifoam.org/regional/eu_gp_intro0303.html.

The IFOAM EU group has several working groups. One is dealing with the EU regulation on organic farming, one with policy questions one with research.

In 2004 major issues regarding EU regulation on organic farming were related to organic seeds, wine processing and pesticide residues. In 2004 a book on the evaluation of organic inputs was published in co-operation with members of the IFOAM EU Group as part of a European research project. The report gives an overview of the current use of plant protection products in organic agriculture as well as of the regulatory framework and the procedures and criteria for evaluation. The report shows that there is considerable variation from country to country and that harmonisation is needed (Speiser / Schmid 2004).

A comment on the European Action Plan on Organic Farming, which was launched in June 2004, was published by the group in the summer of 2004. The IFOAM EU group congratulated the European Commission on the European Action Plan but had also some points of criticism – for instance the lack of funding for the implementation of the action plan (International Federation of Organic Agriculture Movements - EU Regional Group 2004).

The IFOAM EU group is also involved in several European research projects, for instance the project European Information Systems on Organic Markets (EISFOM) and Organic Revision.

In 2004 the group released a paper on Future research priorities of Organic Agriculture. In this paper the group proposes to the European Commission to:

- Secure monies under the 6th framework program for organic farming research; there should be a special focus on organic farming research under the 7th framework programme.
- Not limit funding for research activities to the current percentage of organic farms
- Develop research themes and programmes together with the actors of the organic sector

10.14 EU Regulation on Organic Farming

With EU regulation on organic production 2092/91 considerable protection for both consumers and producers has been achieved. This regulation has been implemented in all countries of the European Union since 1993. In December 1999, the European Commission decided on a logo for organic products. This can be used for all produce whose production is regulated by EU regulation 2092/91. The brochure “Organic farming – Guide to Community Rules”, published by the European Commission in 2001 provides extensive information about EU regulation 2092/91.

Also, in countries outside the European Union, organic products are either legally protected, or the development of organic regulations is in progress (e.g. Norway, Switzerland). Several EU countries have developed their own national regulations as well as national logos for organic products; in some cases this occurred long before the EU regulation on organic production came into force. EU regulation 2092/91 has undoubtedly brought considerable security for consumers, but consumer confidence clearly needs to be increased by extra measures at national level.

Work on the EU regulation on organic farming is constantly in progress and the regulation is adapted to new developments and findings.

A major development related to the EU regulation on organic farming is the implementation of EU regulation 1452/2003 which requires all EU countries to establish databases for organic seed from January 2004 in order to make the supply situation more transparent. Organic seeds and vegetative propagating material must be used if an official database shows that the relevant variety or a comparable variety is available. It is only when the market supply for suitable seeds or vegetative propagating material has been exhausted that a farmer can be given approval to use conventional seeds or propagating material. From January 2004 the organicXseeds internet database set up by FiBL is the official database for organic seeds and vegetative propagating material in the UK, Germany, Switzerland, Belgium, Luxemburg. (www.organicxseeds.com). Information on the use of seed and vegetative propagating material in organic farming is available at the internet site of the European Commission at http://europa.eu.int/comm/agriculture/qual/organic/seeds/index_en.htm.

10.1.5 Organic Farming Research in Europe

Organic farming research is organised differently in the European countries. Until the 1980s it was mainly carried out by private research institutes, which have been the driving force for the development of organic farming research since the 1920s. In the 1980s the first universities took organic farming on their curricula, in the 1990s the first EU-funded projects on organic farming contributed to a better collaboration of researchers on organic farming on a European level, and the first state research institutes became active.

Today's high political and societal acceptance and interest in organic farming research is reflected in the fact that the organic farming research is substantially funded by the European Union, and that the European action plan stresses the importance of organic farming research. Many national include special programs for organic farming research (e.g. Germany: Federal Organic Farming Scheme BOEL; Denmark: Danish Research Center for Organic Farming DARCOF). At the state research institutions organic farming is getting increasing attention

in many countries: In France the National Agricultural Research Institute INRA now has an organic farming co-ordination group (Comité Interne Agriculture Biologique CIAB). The German Federal Agricultural Research Institute FAL has one research institute dedicated to organic farming research.

A good overview of the current situation is given in a recent report from the European Commission (Slabe 2004).

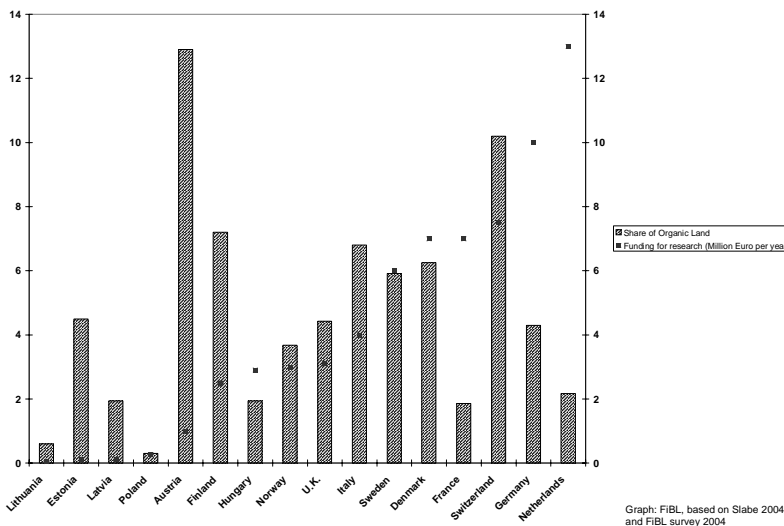


Figure 17: Funding for organic farming research in selected European countries 2004 and share of land under organic management (31.12.2003).

The figure above shows the proportion between the share of land under organic management and the monies for support of organic farming research. Especially in Germany since the launch of the Federal Organic Farming Scheme, the situation is quite satisfactory. Italy, on the contrary, has a rather low support for organic farming research compared to the land under organic management.

Under the European Union's research framework programs, several organic farming projects have been funded. In the calls under the Sixth Framework Program, which was launched in December 2002, organic farming plays a more prominent role than in earlier programs, and several organic farming projects are funded under it.

The following projects (see next page) under the Sixth framework programme for research and technological development with relevance to the development

of the organic sector in Europe started in 2003 and 2004 (selection). So far under this programme 16.2 million Euros have been granted for organic farming research.

A major initiative to improve information exchange among those interested in organic farming research is the international database Organic Eprints (www.orgprints.org) Organic Eprints is an internet based archive for papers related to research in organic agriculture. The database has now more than 2000 entries. It was set up by Danish Research Centre for Organic Farming, and it is part of a project under the German Federal Organic Farming Scheme. More and more research institutions are beginning to use it as an archive for their own output.

The new European Project CORE Organic (*Co-ordination of European Transnational Research in Organic Food and Farming*) is a 3-year Co-ordination Action in organic food and farming (2004 to 2007). The overall objective is to gather the critical mass and enhance quality, relevance and utilisation of resources in European research in organic food and farming. In order to document the current status of organic farming research in Europe the Organic Eprints database will be used. The final goal of the project is to establish a joint European research programme.

10.1.6 Enlargement and Organic Farming

In May 2004 ten countries entered the European Union: Czech Republic, Cyprus, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovakia, and Slovenia. They all had regulations for supporting and protecting organic farming before the accession. Both the Czech Republic and Hungary were on the third country list of EU regulation 2092/91, which means they could export their organic products without further controls into the European Union.

In the new member states organic farming is gaining importance. The area under organic management is in most cases, however, not as high as in the countries of the “old” European Union. The Czech Republic, though, has converted more than five percent of its agricultural land, which is a higher percentage than Germany has.

Many farmers in Central and Eastern European countries are using far more extensive farming methods. This means that conversion to organic farming is a lot easier for them. Producers can offer organic products at comparably low prices. Increasing amounts of organic products including cereals are exported. In order to avoid competition and price dumping it is very important to promote the domestic market in the new member states.

10.1.7 Reform of the Common Agricultural policy

6th Framework Programme

- Core Organic - Co-ordination of European Transnational Research in Organic Food & Farming
<http://core-organic.org>
- Food from low input and organic production systems: Ensuring the safety and improving quality along the whole chain (QLif)
<http://www.qlif.org>
- Replacement of Copper Fungicides in Organic Production of Grapevine and Apple in Europe (REPCO)
<http://www.rep-co.nl/>
- Scientific Support of the Revision of Regulation 2092/91
<http://www.organic-revision.org>

5th Framework Programme

- Further Development of Organic Farming Policy in Europe, with Particular Emphasis on EU Enlargement EU (CEEPOF)
<http://www.irs.aber.ac.uk/EUCEEOF>
- Organic Inputs Evaluation
<http://www.organicinputs.org>
- Recommendation for improved procedures for securing consumer oriented food safety and quality of certified organic products from plough to plate (Organic HACCP)
<http://www.organichaccp.org/OrganicHACCP.asp>
- European Information System for Organic Markets (EISfOM)
<http://www.eisfom.org>
- Sustaining animal health and food safety in organic farming SAFO
<http://www.safonetwork.org/>

The current CAP reform is titled “a long-term perspective for sustainable agriculture”²⁵ by the European Commission. The reform will completely change the way the EU supports its farm sector. In future, the vast majority of subsidies will be paid independently from the volume of production. Key elements include a single farm payment for EU farmers, independent from production, linked to the respect of environmental, food safety, animal and plant health and animal welfare standards, as well as the requirement to keep all farmland in good agricultural and environmental condition (“cross-compliance”). The rural development policy will be strengthened. The reform, as already shown in its name should offer major support opportunities for organic farming. An analysis of the effects of this reform and its potential for the further development of organic farming is available from Haering et al. (2004).

10.1.8 Action Plans

At the Conference “Organic Food and Farming – Towards Partnership and action”, which took place in Denmark in 2001, agriculture ministers from twelve European countries called for a European action plan for the development of organic farming and food (Ministry of Food, Agriculture and Fisheries 2002).

The European Action Plan for Organic Food and Farming was launched in June 2004. It was developed by members of the European Commission, assisted by the IFOAM European Union group as well as by scientists who had already developed concepts for action plans under the European Union’s research programs. In the spring of 2003 a consultation on the European action plan was carried out among European citizens who were asked to comment the action plan. According to the European Commission, there had never been a consultation with so much feedback as this one.

The European action plan covers three main areas for which support should be given (Commission of the European Communities 2004):

- The organic food market
- Public policy and organic farming (including research)
- Standards and inspection – safeguarding integrity

Information on the European Action plan is available at http://europa.eu.int/comm/agriculture/qual/organic/plan/index_en.htm and at <http://www.organic-europe.net/>.

²⁵ http://europa.eu.int/comm/agriculture/capreform/index_en.htm

10.1.9 Future

The land area under organic management has increased continually since the mid 1980s throughout the European Union, even though recently growth slowed down. Almost all European governments now provide strong political support. In order to achieve the targets which many governments have set themselves further and sustain growth efforts will, however, be needed.

- **Statistics**

The organic farming area as well as market shares continue to grow at global and at European level. In order for policy makers and market ctors to be able to take the right decisions in order to guarantee a sustainable growth of the sector, a better basis of statistical data on all levels is needed (Recke et al. 2004).

- **Policy Support**

Organic Farming has gained a high acceptance in recent years in almost all parts of the world. Particularly in Europe within less than a decade it stepped out of the niche and has become a highly appreciated form of agriculture, due to it health and environmental benefits. In order to sustain growth it is important that the private and the public sector work together well in order to forge action plans and further measures to support organic farming as well as regulation related issues.

- **Research**

Research on organic farming needs to be strengthened, even though in Europe a major need is also to improve the exchange and dissemination of existing research results. The dialogue with the farmers and other end users of research should play an important role. The 6th research framework programme offers vast possibilities for funding organic farming research. In order to tap these funding sources good project proposals, good collaboration with the actors of the organic sector and between colleagues both within as well as outside the organic farming research community are needed.

10.2 The European Market for Organic Foods

Toralf Richter²⁶ and Susanne Padel²⁷

10.2.1 The European Market for Organic Foods

The main information and figures presented here were compiled as part of a FiBL survey among national experts of the organic sector in November and December 2004 as well as given information within the report from Soil Association (Organic food and farming report 2004). Like in previous years many of the data are based on estimates. The methods of research behind these figures varies from country to country, as no uniform European data collection system for organic market exists. Additionally, national organic sales figures may differ between sources. Although all data are cross-checked by a European expert team⁴ those provided should be treated with certain caution and seem in the context of other market observation included in this section. The authors would like to welcome all comments, which are able to improve the quality of data about the organic market in Europe.

The European sales of organic products were estimated to have expanded by about five percent in 2003 to reach approximately 10.5 to 11.0 billion Euro (FiBL, survey 2004). After a market growth of 8 percent in 2002 (Sahota, 2004) the market development reduced speed but also considerable variation throughout Europe. Countries like Spain, the UK and many Central and Eastern European countries (in particularly those that joined the EU in May 2004) showed growth rates of more than ten percent, whereas after years of tremendous growth slower growth is reported from the biggest European organic markets.

High market penetration has been reached in countries like Denmark, Austria, Germany or Switzerland through further development of the organic assortments in the big retail companies. Furthermore the number of regular organic consumers remained stable, even when the number of occasional organic consumers is still increasing.

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²⁸ Ulrich Hamm (University of Kassel) and Armajit Sahota (Organic Monitor)

Comparing the European market development with the US over the last two years the European market just showed the half of the American growth figures. Contrary to the European situation the American market is still in a growing phase positively influenced by successfully and national operating natural food retail chains, like Whole Foods and Wild Oats.

Comparing European countries, Germany remains the biggest national market in Europe with an organic sales of 3.1 billion Euro (nearly 1/3 of the total European market volume). National markets with organic sales volumes of more than one billion Euro of can be found in France, the United Kingdom and Italy (see figure 1). While in Italy, Germany, Switzerland the organic markets grew between 2 – 5 percent in 2003, in the UK the organic market continue to grow by ten percent.

In Southern European countries like Spain, Greece or in Central and Eastern European countries, for example the Czech Republic and Hungary, the organic market grew by 15 – 30 percent in 2003, but started from a low level of total organic sales. Illustrating the relations, the organic sales of the Swiss retailer COOP in 2003 were 65 time higher than total organic sales in Czech Republic, 18 time higher than in Greece or 2.5 as high than the total organic market in Spain.

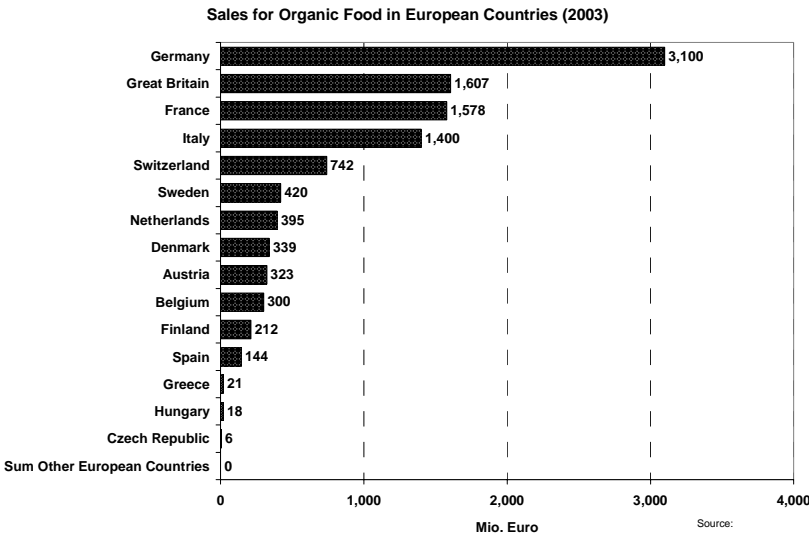


Figure 18: Organic Food Sales in European Countries in 2003

Source: FIBL survey, 2004

The different market development leads to clear differences in terms of per capita consumption of organic produce all over Europe. Switzerland can be considered as the clear organic market leader in Europe, or even the world with an expenditure of more than 100 Euro per capita for organic food, nearly twice the expenditure in Denmark or Sweden, the countries with the second and third highest consumption (see figure 1). This remains impressive, even when the fact that Switzerland is the country with the highest food price level in Europe is taken into account. Comparing to European countries the US per capita consumption for organic food is app. 30 Euro in 2003 (similar to countries like the UK, France or the Netherlands).

10.2.2 Development in the most important European markets in 2003

The **German** organic market is estimated at €3.1 billion, a small increase of three percent compared with 2002. The prospects for market development in 2004 are likely to be better, confirmed by clear sales increases in specialist organic shops as well as in discounter outlets of Aldi, Plus or Penny. Production and demand of organic vegetables and eggs increased in the first part of the year. However, imports, especially from CEE countries, continue to put pressure on farmer premiums for cereals.

The share of sales of organic food sold through specialist organic (26 percent), health food shops (nine percent) and through direct marketing (18 percent) remains high in relation to conventional retail chains. The potential of the food service sector is illustrated by the certification of the Swedish furniture house IKEA selling nearly half a million organic meals until December 2003. Also McDonalds purchases organic milk and beef, even if the latter is not sold labelled as organic beef.

Retail sales in **France** were estimated at €1.6 billion. The value of the retail market has grown by approximately five percent, despite organic fruit and vegetables having to compete with integrated produce, and the price cutting policies of some hypermarkets with reduced shelf space for organic. The national organic spring promotion this year focused on young people, and the city of Paris announced that afternoon snack in its nurseries will be organic, financed through an increase in the school meals budget.

The French government owns the most well known organic logo in the French market “ab” (agriculture biologique). In contrast to the governmental owned organic logo in Germany producers from countries out of the EU are not able to use this label for their products.

The **British** market for organic food & drink is the third largest in the world. Retail sales were estimated at €1.6 billion. Market growth rates are slowing after years of growth between 20 and 40 percent, but remains with over ten percent high at the European level. According to the Soil Association there is no firm indication that the level of imports was reduced further compared to the previous year and account for on average 56 percent at the retail level. For cereals imports contribute 65 to 70 percent by value, while the fruit and vegetable category is 76 percent by value.

An above average growth rate of 16 percent in the last year was noted in the areas of direct sales, in particular through farmers markets. The number of producers offering produce directly has increased dramatically and the number of farmers' markets rose to nearly 500 markets, average sales per market increased, and a greater proportion of organic food is on average sold, at each market.

The most important outlet for organic food in the UK remain the multiple retailers (80 percent) although their market share dropped by one percent compared with the previous year. Supermarkets report continued investment in expanding their organic range and elevating organic sales but have increased their focus on brands and lines that have proven to be successful. All supermarkets expressed increased effort to procure domestically produced organic food.

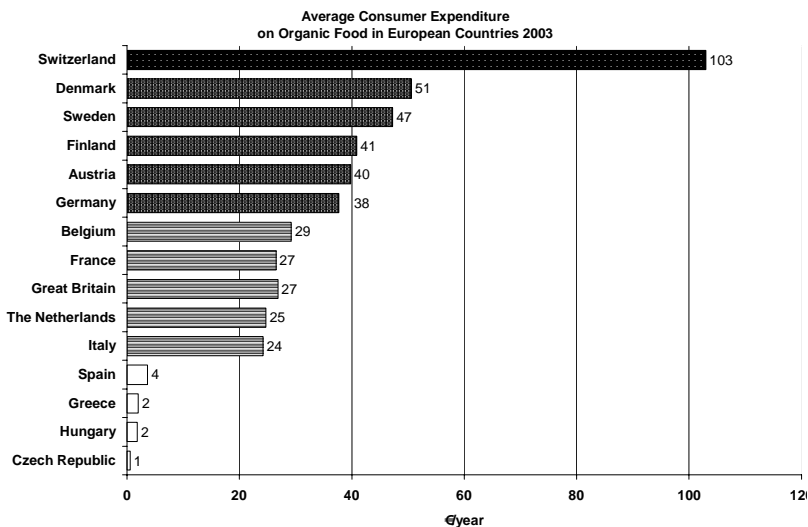


Figure 19: Average Consumer Expenditure on Organic Food in European Countries 2003

Source: FiBL survey, 2004

Italy has the largest organic land area and the fourth largest market. Land area and the number of producer are estimated to have fallen slightly, but in wine production conversion still continues. Organic sales were estimated at €1.5 billion, or approximately 1.5 percent of the total food sales. The product categories with strongest growth were milk, milk products and baby foods, whereas vegetables and fruit declined in line with conventional markets. Production of meat remains lower than demand, the shortfall made up by imports from Germany and Austria. Exports of fruit, some vegetables, wine and pasta cereals to other EU member states, a strong side of Italy's organic sector, have fallen by 20 percent, but with financial support of the EU, the Italian organic farmers unions (such as AIAB) now want to promote sales to outside the EU.

In **Switzerland** retail sales were estimated at €742 million. Organic fresh food sales make up about 7.5 percent of total retail sales. The market continues to grow, especially for meat products and in the Western French speaking cantons, but there are some oversupply problems, for example with apples and milk and beef. The two competing retail chains Co-op and MIGROS follow different strategies in their organic assortments nowadays. While Co-op continuously broadens the number of organic lines, MIGROS has reduced the number of organic items and replaced by conventional produced brands with regional character (e.g. Heidi as a premium brand for conventional milk products from Swiss mountain areas) or by integrated production (e.g. bread with a ladybird label or meat products from animal friendly but conventional production). With the expected market entrance of the German discounters ALDI and LIDL a national discussion started about the general high consumer price level of food in Switzerland. In this context, the number of consumers who are willing to pay a high prices premiums for organic products is expected to decrease.

In **The Netherlands** the organic sales were estimated at €395 million. The retail market grew by five percent; strongest growth occurred in natural and organic food shops (including specialist butchers, 41 percent market share). There are a lot of organic shops and organic supermarkets that started in the last couple of years and improved the availability for organic food. An oversupply with pork was tackled through the setting up of a producers' association, which encouraged (and compensated for) reduction in organic production. Presently, the government strongly pushes a broad market penetration of organic products in conventional supermarkets. Also the number of specialised organic shops is still increasing and the Netherlands remain an important importer of fruit and vegetables into the EU.

In **Denmark** organic food sales were estimated at €340 million. This figure is based on a different method to gather organic retail data by Statistics Denmark and can't therefore be compared with previous years. The ministry has launched a campaign to raise awareness of the organic sector. The share of consumption for organic products is high in some markets, for example depending on the source 25 to 30 percent of all milk sales are reported to be organic. About a third of the organic milk is aimed at the export and has been affected by "Buy national" focus of for example the British organic consumers. ARLA, the leading Danish dairy company has reduced the amount of organic milk by ten percent by issuing fewer contracts to organic producers, but smaller organic dairies have been successful in increasing sales, both domestically and abroad.

In **Austria** the organic food sales dropped slightly, the market volume for 2003 is estimated to be on app. €320 million. Approximately two third of organic sales are resulting from conventional retailer distribution, direct sales account for approximately one third of all. Mainly the leading retail chains, for example Billa-Merkur (belonging to the REWE group) and Spar lost organic sales while the discounter Hofer (belonging to the ALDI-group) showed clear growth.

In **Hungary** the size of the domestic market is estimated to be about €10 - 20 million, and about half of domestic consumption is baby food made by a single company. Some European countries are allowed to certify organic products for export to Hungary. The suppliers here are mainly EU countries. Outside of the EU, only Switzerland, Slovakia and Poland export organic products to Hungary. There is little marketing activity in Hungary, and the country has, in essence, no general, established processing infrastructure and market for organic products. This means that only products that have been pre-ordered, or at least requested, are produced. Much of the national organic production is targeted at export and does not aim to fulfil local market needs.

In the **Czech Republic** organic retail sales are estimated to be in the range of € 5.7 million. Annual growth rates differ between 15 – 20 percent. A wide range of goods are offered in specialised organic shops and in multiple retailers (incl. hypermarkets like Delvita, Globus, Tesco) that have the major share (55 percent) of the organic market. Specialised organic shops participate in the organic market with about 25 percent, direct sales account for about 20 percent. The organic market is dependent on imports of processed organic food, because a domestic processing infrastructure for organic raw materials is mostly absent. About 50 percent of the certified organic products are imported; mainly from Germany, Austria, Switzerland, and Slovakia.

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Organic Market Publications from the OMIaRD Project

The recently finished European OMIaRD²⁹ project produced the following publications. These reports are now available for sale. The publications can be ordered for €20 each volume at shop.fibl.org or www.irs.aber.ac.uk/omiard/publications/index.html.

Volume 1: Hamm, U and F Gronefeld and D Halpin (2002): Analysis of the European market for organic food.

It provides the most comprehensive and up to date information and analysis of European organic food markets, based on data gathered for the year 2000, this volume offers important information in its own right but also contributes a foundation for further study. It covers all important aspects of the organic market, including production, consumption, foreign trade, supply deficits, prices and premiums. Nineteen countries have been separately investigated, and comparison and overview allow important policy and marketing conclusions to emerge.

Volume 2: Sylvander, B and N H Kristensen (announced 2005) Organic Marketing Initiatives in Europe

This volume draws together the results of the extensive surveys of OMIs carried out in the spring of 2001 and up-dated in winter 2002/3 with the more detailed survey of 78 OMIs in 35 regions in Europe carried out in the winter of 2001/2 and the 4 in-depth case studies conducted in 2002 to create an overall picture of the situation of OMIs across Europe.

Volume 3: Midmore, P and C Foster and M Schermer (2004): Organic Producer Initiatives and Rural Development – four European Case Studies

It provides an assessment of the rural development impacts of OMIs based upon the in-depth case studies carried out on five successful initiatives in Austria, France, Italy, and the UK during 2002.

Volume 4: Zanolli, R (2004): The European Consumer and Organic Food

This volume draws together the findings of the extensive consumer studies carried out throughout Europe, which included focus groups, laddering interviews and scenario analysis. It attempts to gain insights into the consumption of organic food products at the European level, with particular focus on the ethical, social and environmental dimensions influencing consumer affect and cognition. It aims to identify the specific needs that can be met by organic products and the barriers to purchase which currently exist.

Volume 5: Hamm, U and F Gronefeld (2004): The European Market for Organic Food: Revised and Updated Analysis

It builds on Volume 1, using data collected for 2001. It offers a comparison between the nineteen countries surveyed and clearly demonstrates the need for balanced development of supply and demand in the organic market.

Volume 6: Schmid, O and U Hamm and T Richter and A Dahlke (2004): A Guide to Successful Organic Marketing Initiatives

This volume is intended to provide a practical marketing guide for producers, processors, advisors and planners, with examples to illustrate both good and bad practice. (published by FiBL, Switzerland).

Volume 7: Schmid, O and J Sanders and P Midmore (2004): Organic Marketing Initiatives and Rural Development

The final report, which draws together the results of the whole project includes an analysis of Organic Marketing Initiatives (OMI) and their market environment as well as their current and future contribution to the development of rural areas in Europe, together with an investigation of the conditions under which OMIs can be an effective means of multiplying the beneficial impacts of organic farming on rural regions and how significant these impacts can be.

²⁹ OMIaRD is a research project which lasted for three years and two months from January 2001 to February 2004, funded under Key Action 5 of the European Union's 5th Framework for Research and Technological Development. As the first major research project to link the two key EU policy areas of sustainable agriculture and rural development, OMIaRD aimed to examine all aspects of the marketing of organic food in Europe, with a focus on rural development.

10.4 Table: Organic Farming in Europe

Table 14: Land Under Organic Management and Number of Organic Farms in Europe, per 31.12.2003

Source: FiBL/SOEL/Welsh Institute of Rural Sciences, Univ. Wales

Country	Date	Organic Hectares	% of Agricultural Area	Organic Farms	% of all Farms
Albania	2003	192		60	
Austria	2003	328,803	12.90	19,056	9.50
Belgium	2003	24,163	1.73	688	1.10
Bosnia Herzegovina	2002	1,113		92	
Bulgaria	2003	437	0.01	58	
Croatia	2003	3,530	0.11	130	
Cyprus	2002	166	0.12	45	0.09
Czech Rep.	2003	254,995	5.97	810	2.10
Denmark	2003	165,148	6.20	3,510	6.10
Estonia	2003	40,890	4.59	746	1.90
Finland	2003	159,987	7.22	4,983	6.60
France	2003	550,000	1.86	11,377	1.70
Germany	2003	734,027	4.30	16,476	4.00
Greece	2003	244,455	6.24	6,028	0.80
Hungary	2003	113,816	1.94	1,255	3.20
Iceland	2003	6,000	0.70	20	0.80
Ireland	2003	28,514	0.65	889	0.70
Italy	2003	1,052,002	6.86	44,043	2.00
Latvia	2003	48,000	1.92	1,200	
Liechtenstein	2003	984	26.40	43	20.50
Lithuania	2003	23,289	0.60	700	1.00
Luxemburg	2003	3,002	2.00	59	2.30
Malta	2003	14	0.00	20	
Netherlands	2003	41,865	2.17	1,522	1.50
Norway	2003	38,176	3.68	2,466	4.00
Poland	2003	49,928	0.30	2,304	0.10
Portugal	2003	120,729	3.17	1,455	0.30
Romania	2003	75,500	0.51	1,200	
Serbia/Montenegro	2001	15,200	0.30		
Slovakia	2003	54,478	2.43	100	1.30
Slovenia	2003	23,280	4.60	1,429	1.70
Spain	2003	725,254	2.84	17,028	1.30
Sweden	2003	207,488	6.80	3,363	4.20
Switzerland	2003	110,000	10.27	6,445	11.10
Turkey	2003	103,190		13,044	
UK	2003	695,619	4.42	4,017	1.70
Ukraine	2004	240,000	0.78	70	
SUM		6,284,234		166,731	

Please note: These figures are not yet consolidated. Consolidated figures are available from the European project “Further development of Organic Farming Policy in Europe, with Particular Emphasis on EU Enlargement” (www.irs.aber.ac.uk/EUCEEOF/). These figures should be available at the internet site www.organic.aber.ac.uk/stats.shtml early 2005. Contact: Dr. Nicolas Lampkin, Institute of Rural Sciences, University of Wales, Llanbadarn Campus, SY23 3AL Aberystwyth Ceredigion

For continual updates of the European statistics please also check www.organic-europe.net/europe_eu/statistics.asp

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Germany: Bundesanstalt für Landwirtschaft und Ernährung, D-53179 Bonn und ZMP, D-53123 Bonn, see www.soel.de/oekolandbau/deutschland_ueber.html

Greece: Dr. Nicolas Lampkin, Institute of Rural Sciences, University of Wales, Llanbadarn Campus, SY23 3AL Aberystwyth Ceredigion

Hungary: Biokontroll Hungaria Kht., P.O.Box 800, HU-1126 Budapest

Iceland: The Farmers Association of Iceland, P.O. Box 7080, Baendahöllin, IS-107 Reykjavik

Ireland: Department of Agriculture and Food, Organic Unit, Johnstown Castle Estate, Johnstown, Co. Wexford, Ireland

Italy: Ministero delle Politiche Agroalimentari, Via XX settembre 20, I-00187 Roma www.politicheagricole.it/PRODUZIONE/AGRIBIO/Italia%202003.pdf

Latvia: Katarina Reuter, Humboldt-Universität zu Berlin, Institut für Wirtschafts- und Sozialwissenschaften des Landbaus, Fachgebiet Agrarmarketing, Luisenstr. 53, 10117 Berlin, Germany

Lithuania: Eko Agros, LT-4324 Kaunas

Liechtenstein: BioSuisse, Margarethenstrasse 87, CH- 4053 Basel, see www.biosuisse.ch/media/fr/pdf2004/grafiken_medienkonf_sw_f.pdf

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Norway: Debio, Postboks 50, N-1940 Bjørkelangen

Poland: Dorota Metera, Metera Dorota Consultancy, PL- 00-62 Warszawa

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Romania: Ministry of Agriculture, Bukarest

Serbia and Montenegro: Ing. Goran Pastrovic, Ministry of Agriculture, Bul. Arsenija Carnojevic 27, 11070 Novi Beograd, Serbia

Slovakia: Ing. Zuzana Lehocka, Research Institute of Plant Production, Bratislavská 122, SL- 921 Piestany

Slovenia: Institut za trajnostni razvoj / Institute for Sustainable Development, Anamarija Slabe, Metelkova 6, SI- 1000, Ljubljana

Spain: Ministry of Agriculture, Food and Fisheries MAPA, Paeso Infanta Isabel 1, ES- 28071, Madrid, see www.mapya.es/es/alimentacion/pags/ecologica/info.htm

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Turkey: Istituto Agronomico Mediterraneo IAMB, Via Ceglie 9, 70010 Valenzano (BA), Italy

Ukraine: Viktor Vovk, Ph.D. and Mykhaylo Kapshtyk, Ph.D., Training & Coordination Centre, Suvorova Street 9 office 110, Kiev 01010 Ukraine, Tel/ Fax 38 044 451 44 56, www.dorada.org.ua

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11 Latin America

*Pipo Lernoud*³⁰



Figure 20: Organic Farming in Latin America.

Source: SOEL Survey, February 2005

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11.1.1 Traditional Farming

Latin America has a very ancient agricultural tradition. And for millennia it used organic methods. Rotations, variety selection, fertility management that includes composting and mulching, sophisticated irrigation systems, long term planning and community land management were all features of American agriculture two thousand years ago.

Hundreds of varieties of corn, liquid and solid cocoa, all sizes of squashes, all kinds of tomatoes, over 90 varieties of chillies, many of the foods found today in the world's tables were seen for the first time by European eyes after Columbus arrived to the continent.

The Aztecs in Mexico had a complex and massive system of food production that involved irrigation from the mountains, elevated beds and artificial channels with fishes and seaweeds, and precise rotations all over the lake surrounding their gigantic capital Tenochtitlan.

In those same days, when the Spanish invasion arrived to Cuzco, in Peru, they met a culture of expert agriculturists. Learning their skills from their ancient neighbours, the Aymaras, and developing a real soil and production science, the Incas were able to farm millions of hectares distributing seeds along an empire that stretched from Central America to the North of Argentina and Chile. They developed probably over a thousand varieties of potato, a food that is now a staple food in countries throughout the world.

All these traditions are alive in the farmers of indigenous descent along the mountain ranges, from Mexico to Argentina. Hundreds of thousands of small farmers are now gathering in associations to redignify their knowledge within the organic movement, using the Internal Control System to certify their crops. Many of those families produce coffee, cocoa, sugar, bananas or other organic crops for export and have a small vegetable plot for food security and bartering. Others unite to reach the weekly markets around the cities, bringing their vegetables and fruits. They are striving to make a living, but organic agriculture has allowed them to plan their harvests and find a growing market for their products.

1.1.2 The Market

Local Markets

Some countries in Latin America have an internal market of organic products. In Brazil, for example, some producer associations like the Eco Vida network in the southern states get their vegetables and fruits together once a week and take them in their own trucks to the markets in the big cities, selling in open

fairs or supermarkets under the name of the farmer or the brand name of the association. A very similar but smaller situation can be seen in Ecuador through the Fundación Maquita Cushunchic - Comercializando Como Hermanos MCCH. In Costa Rica, vegetable producers have the slogan: “From my family to your family”.

Supermarkets

Supermarkets in the continent are beginning to sell organic products. Vegetables and fruits are sold in Uruguay, Costa Rica, Honduras, Peru, Brazil and Argentina among others. In Nicaragua, the supermarket chain “La Colonia” sells organic products, especially vegetables. Sparser is the offer of processed products, due to the difficulty of getting big enough quantities. Argentina has a wide variety of oils, flours, honey, wine, and tea on the shelves and some supermarket chains have developed their own organic brands or their clearly defined organic sector. Sol de Acuario was a company that had a wide variety of certified products in Argentinean supermarkets, ranging from tea to breakfast cereals and corn flour, until the economic crisis. Some of those products are now sold by one supermarket brand, “Bells Organic” owned by the Dutch corporation Albert Hejin. In Brazil, the locally owned Zona Sul supermarket chain has promoted organic products within their clientele, organising tasting events and special prize rebates, including big press & advertising campaigns.

Specialised stores

Most Latin American countries feature specialised stores, or health food stores, where organic farmers can take their products to sell to a trained clientele. This is where the information about organic regulations and characteristics can reach the public. In the IFOAM Local Markets Conference in Buenos Aires (2000), one of the conclusions from the Latin American participants was that the specialised stores prepare the public better than supermarkets, and that the owners of the shops usually help the organic market to grow by spreading the news about recently arrived products, teaching the consumers to respect the harvest seasons and caring for the vegetables in a special way.

In Bolivia, the El Ceibo co-operative is a producer association that manages 8’000 hectares, mostly cocoa, and nuts, quinoa, coffee and hibiscus. And Irupana has more than 15 stores, 12 of them in La Paz, where they sell breakfast cereals and snacks made from native crops like quinoa or amaranth. In Chile, there are some specialised stores like La Ventana Orgánica and Puranatura. In Argentina, El Rincón Orgánico has been running for 16 years, providing customers in Buenos Aires with more than 200 varieties of organic products from all over the country, and has recently received the “Spirit of Organic International Award 2004” for its pioneering work.

A growing trend is the “consumer co-operative shop”. In many secondary cities and towns, consumers get together and organise a co-operative, rent a place and start selling products from farmers that also belong to the organisation. This is very common in the South of Brazil, through the Eco Vida Network. Sometimes, as the shop is owned by the consumers, prices are lower, but producers get a fair share.

Popular fairs

Probably the most popular form of organic trade in Latin America is the neighbourhood fair or small informal market. In most towns there is a place, usually a park or sports arena, where the producers can sell their goods directly to the public on a weekly basis. This is a good opportunity for farmers to get the full price, without having to give intervention to middlemen. Many local governments favour this kind of transaction, helping the farmers by providing them the stalls and some advertising. Although these local fairs have a small economic significance, they are very important for modest peasants and in total they represent an important percentage of the organic market of the continent. And some of them are quite big, as the Porto Alegre bi-weekly fair in Coolmeia, which gathers some 300 producers and thousands of consumers.

The Peruvian NGO Red Agroecologica (RAE) has developed many of these small weekly fairs all over the villages of Peru, taking advantage of a millenarian tradition of local trade that comes from the indigenous communities. Something similar takes place in many areas of South and Central America.

In Uruguay, the Parque Rodó fair exists since the beginning of the ninties, and there is also a fair in Tacuarembó. In the Dominican Republic, there is the FAMA ecological market in Santo Domingo. Mexico city has recently started an organic weekly fair. In Lima, the Bio Feria has been going with a very efficient organisation for years, and they even made a video and a book on “how to build up an organic fair”, published by IFOAM (see also success story under country report Peru).

Many groups of vegetable producers in Brazil, Argentina and Perú are reaching the public with the same prices as conventional vegetables, and make it a political point: “Let all the consumers choose freely, not only the rich.” Some of these schemes have developed a quite sophisticated system of “participatory certification”, basing their guarantee in the direct relation between the consumer and the producer.

Box schemes and home delivery

An other important organic trade system is the box scheme. In big cities, many producers organise a planned home delivery circuit with fixed boxes containing assorted vegetables and fruits, and sometimes milk products and eggs brought by other farmers. This has been, in many cases, the starting point of organic producer associations and specialised shops, which grew out of a successful home delivery system. In Argentina it took ten years of box schemes to develop a consumers' base that could allow producers to step into the more massive sale of supermarkets. Uruguay is following the same pattern, and Brazil has regional groups that have been reaching the public with organic produce through home delivery for almost twenty years.

Community Supported Agriculture (CSA)

Inspired by the Japanese system Teikei and the American Community Supported Agriculture (CSA), a movement is growing in some places of Latin America: La Comunidad Sustenta a la Agricultura. Groups of around 40 consumer families get together with a farmer and make a plan for the whole year. They decide together what to sow, develop a budget; detail the needs of the consumers and the farmer. Then the consumers advance some of the money to the farmer to start that year's production. They share the risks and fix the prices. In some areas of the south of Brazil and around Lima in Peru this is already a working reality. "It is like a future stock market" consumers say, "you risk the money to get good food all year round".

11.1.3 Exports

Export is still the main organic activity in Latin America. From the coffee grains and bananas of Central America to the sugar in Paraguay and the cereals and meat in Argentina, the trade of organic produce has been mostly oriented towards foreign markets. This trend is typical of a southern area, with poorly developed national markets and great need of cash to pay its international debts. As most of the Third World countries, the members of the American countries south of the Rio Bravo sell their basic products without any added value, to be processed in the developed countries for their national markets.

It is very difficult for small organic producers in the continent to meet the quality standards and regulations of the demanding international markets, due to lack of information and support from governments and traders to develop capacity on quality control.

Nevertheless, you could have whole meals with what the continent exports, including coffee with sugar, honey, fruits and breakfast cereals for the morning, meat, all kinds of vegetables, oils, grains, wine and fruit juices for lunch and dinner, and maybe even some herbal teas and sweets for dessert.

In Costa Rica, around 30 percent of the territory is a protected natural area, and there are many organic export projects developing in the area, stimulated by the government. In Honduras and many other countries, multinational companies are buying land to produce organic for export. In Argentina, the well-known Italian Benetton family has bought and certified 600'000 hectares in Patagonia for organic sheep meat and wool production. More and more, European and American companies and investor's funds are buying or renting Latin American land for organic production, usually with a scale and a technology that locals cannot afford and a developed relation to the buying markets of their countries of origin.

Fresh fruits and vegetables

Many Latin American countries have been selling their fruit harvest to Europe and the United States. Brazil sells apples and grapes, Chile has a very good kiwi export business organised, and some fine fruits like raspberries and strawberries exports. Colombia, Honduras and Dominican Republic sell bananas, pineapples, mangoes and other tropical fruits, Argentina sells apples, pears and citrus fruits, Mexico also has apples, avocados and bananas on the world market. 70 percent of the bananas produced in the Dominican Republic are organic. 1.7 million kg of bananas are exported yearly from Costa Rica for baby food production in Europe and America. Pineapple is a growing export possibility in Central America.

Argentina, Brazil and Chile are strong vegetable exporters, both fresh and dried. But also Costa Rica, and other Central American countries sell smaller quantities of fresh vegetables to the external market.

Grains and cereals

Paraguay is a big soybean producer, together with Argentina, Mexico and Brazil, which also produce and export corn and wheat. Organic grain farmers in the south of the continent are having a big confrontation with the Genetically Modified cultivars of soy (RR) and corn (bt), that have become mainstream in the area.

Coffee

Mexico is the largest coffee producer in the world, with tens of thousands of tons of coffee beans, mostly harvested by small indigenous farmers, reaching the world's biggest supermarkets and coffee shops. It produces 40 percent of the total coffee production in Latin America. Guatemala and other Central American countries have important coffee production with much the same characteristics. It is mostly done in an ecological forest management system, thus creating a valuable alternative to the deforestation process taking place in the region.

In a recent study by Jorge Vieto, from Centro de Inteligencia Sobre Mercados Sostenibles (CIMS), there are around 63'000 organic coffee producers in Latin America, averaging 2 to 4 hectares of certified land. These small producers are responsible for 90 percent of the total production. There are more than 300 certified exporters, mainly co-operatives and farmers associations, but also some private companies.

A large part of Peru's coffee production is already organic. In Bolivia, the 20 percent of the total coffee production is organic. When, like in 2001, the price of the coffee is too low, farmers get more income from their diversified production, selling tropical fruits to small processing plants. In Costa Rica this alternative is called "Organic Integrated Farms".

Cocoa

Most of the coffee producing countries also cultivate cocoa for chocolate, usually processed in Europe under fair trade logos and certified by European companies. It is also a very important source of income for small farmers throughout Central America and the tropical areas of South America, although it has been impossible up to now to add value locally.

Sugar

Brazil, Paraguay, Ecuador and Argentina are some of the sugar producers in the area. Small farmers in co-operatives who own or manage small sugar mills. In Brazil there is a big company producing with high quality technologies and social standards on tens of thousands of hectares.

In Paraguay, more than half of the total sugar produced is organic. Around 1'000 producers receive a premium of 20 percent over the conventional price. In Misiones, Argentina, the San Javier organic co-operative with its 650 farmers processes 80'000 tons of cane annually.

Meats

Argentina was the biggest beef exporter in the region, with more than two million hectares of certified meat (beef and lamb) production until the recent crisis. There is also a strong internal market for organic meat in Argentina. Uruguay is beginning to produce organic meat, as is Brazil. In Uruguay, 99 percent of the certified land is devoted to meat, that sums up to the 70 percent of the total value of organic exports.

11.1.4 Certification

Excepting those from Argentina and Costa Rica, which have Third Country status in the European Union, all other Latin American producers need to be re-certified by a European company to enter the market in Europe. American or European companies certify most of the export production in Latin America anyway, because the buyer side imposes the certification. Organic Crop Improvement Association (OCIA) and Farm Verified Organic (FVO) from USA and Naturland, BCS Oeko-Garantie and the Institute fuer Marktoekologie (IMO) from Europe are very active in the area.

Some local certification bodies in the continent are very well developed, like Argencert and Organización Internacional Agropecuaria, (OIA, Argentina), Instituto Biodinamico (Brazil) and Bolicert (Bolivia) - all IFOAM accredited and Biolatina (Perú and other). Other working agencies are Ecológica from Costa Rica, Bio Nica from Nicaragua, Maya Cert from Guatemala and CertiMex from México. Chile has Certificadora Chile Orgánico (CCO) and PROA - Corporación de Promoción Agropecuaria, Uruguay has Urucert and Sociedad de Consumidores de Productos Biológicos (SCPB). Argentina has more than 12 certifying agencies, apart from Argencert and OIA already mentioned, there are Bio Letis (EU recognised), Food Safety, Agro Productores Organicos de Buenos Aires (APROBA), Ambiental, and Fundación Mokichi Okada (MOA), which are also important.

Costa Rica has its own national standards, Paraguay and Chile are working on the process, and Argentina has a national law, and its standards date back to 1992. The standards in Brazil, still being discussed, will probably allow for more participatory certification systems in local and direct markets.

The region is beginning to discuss Social Criteria for Standards. In October 2001, representatives from many countries got together in the “1st IFOAM Seminar on Social Responsibility in Organic Agriculture”, in Cochabamba, Bolivia, to discuss the details of Social Standards and Codes of Conduct. The Social Accountability in Sustainable Agriculture (SASA) project, carried out by IFOAM and others to evaluate joint social and ecological certification, has been working in the area. Many producers in Latin America (mostly coffee) have double certification, organic and fair trade, to allow for better prices and market access.

11.1.5 Governmental Support

No Latin American country has subsidies or economic support for organic production. Costa Rica and some others have official funding for research and teaching, Argentina and Chile have had official export agencies helping

producers get to the international fairs and printing product catalogues, and in Mexico there is growing interest by national and state agencies, for example in the state of Jalisco. But in general the organic movement in Latin America has grown by its own forces, with some seed funding for extension and association building by international aid agencies, especially from Germany, the Netherlands and Switzerland. International trade has been stimulated by buying companies and fair trade agencies, focusing especially on some basic products like coffee, bananas, orange juice and cocoa.

In the State of Paraná, in the south of Brazil, the big bi-national organisation that runs the gigantic Itaipú dam, has decided to manage the Parana river basin ecologically, generating an enormous project involving thousands of towns and villages in recycling, resource management, environmental education and organic agriculture. They call it Projeto Agua Boa (Good Water Project).

11.1.6 Education and Extension

Latin America has a great deal of activity in education relating to organic agriculture. Many universities and agricultural organisations carry teaching courses and on farm experimenting projects. Cuba had a very developed teaching and research project carried by the Cuban Association of Organic Agriculture ACAO, and the Brazilian Instituto Biodinamico has done a very systematic work on farm production. Agruco and Agrecol have done a lot of extension work over the years, leading to a strong support for food security and farmers knowledge, especially in the Andean region.

Some agricultural universities carry organic production courses, like the La Molina in Perú, Las Villas in Cuba and Chapingo in México. In October 2004, the Catholic University of Argentina started a degree course on Organic Company Management.

The Agroecological Movement of Latin America and the Caribbean MAELA, an international movement linking around 80 groups in many countries, has done for many years extension work with the small farmers of all the continent, specially focused on self sufficiency and associative skills.

The Latin American Centre of Sustainable Development CLADES, lead by Miguel Altieri and Andres Yurcevic, has built a very thorough body of knowledge and experience around agro-ecology and biodiversity issues, connecting universities (specially in the United States) with farmer groups and extension agencies, publishing very complete studies and giving lectures in all countries. Miguel Altieri is probably the most articulate spokesman of organic farming in the region, and his books, read world-wide, have been used for courses in the continent for decades.

IFOAM, representing all, has been supporting and aiding all this spreading of organic projects through the region, and bonding different sides of the movement through big events like the Sao Pablo Scientific Conference in 1992 and the Mar del Plata Scientific Conference in 1998, both big international gatherings taking place in the area, and the Latin American IFOAM Local Markets Conference in Buenos Aires, June 2000.

Latin America, one of the biodiversity reservoirs of the world, is just beginning to take conscience of the enormous possibilities of organic agriculture. It has the farming traditions, the fertile lands and the varied climatic zones that allow it to produce almost anything in an ecological way, helping the much-needed greening of the planet.

11.2 Latin America: Country reports

Alberto Pipo Lernoud and Marcela Piovano

11.2.1 Argentina

Argentina had 3,192,000 certified hectares in 2000, and has 2,800,000 hectares in 2004, a decrease caused by the de-certification of big livestock certified areas, due to changes in the organic meat market. 98 percent of the certified land is devoted to livestock production, especially sheep production in big farms in the slopes of the southern states, in Patagonia. 72 percent of the organic land is in Patagonia, owned by only four percent of the organic farmers in the country. On the other end, around a third of the farms (591) are located in one area, Misiones Province, in the north, being small farmers organised in associations to produce sugar and mate tea. The total number of farms in Argentina 2004 is 1,781.

90 percent of the organic production in Argentina is for export, mainly to the European Union and USA. The biggest exports are cereals and oilseeds: corn, wheat, soy, and sunflower. Fruits are also exported in big quantities: pears, apples, oranges and lemons. Some vegetables, especially garlic, onions, and beans are also exported. There is also a growing sector of aromatic and medicinal plants.

On the processed side, olive oil, sugar, concentrated juices; honey and wine of that origin are quite successful in the European and US-American import markets.

Meat exporting began ten years ago with beef, and recently Patagonian lamb became the predominant export for international markets. In 2002 there were 754,000 sheep and 122,000 head of cattle certified in Argentina.

All the products mentioned have been exported for years, many of them since 1992.

The domestic market has been working in the big cities since 1990, through home deliveries, supermarkets and specialised shops, but had a downward trend during the economic crisis in 2001 and 2002. Some important companies disappeared from the market (Sol de Acuario) and others diminished their participation in the supermarket shelves. Home deliveries, with a more direct relation with the consumers, were able to survive and are now in the upward trend again (El Rincón Orgánico). Some deliveries carry more than 200 different products, especially vegetables, fruits, oils, teas, breads, eggs and jams. There is also a big company (La Serenisima) with a massive production of organic milk on more than 10,000 hectares and many associated farms.

Argentina was the first Third World Country to have a national regulation adapted to the European Union (1992) and the first to enter the third country list. There are 12 national certifiers, some of them with a strong international presence (Argencert and OIA), and two are steadily growing (Letis and Food Safety). There is no important activity of foreign certifiers.

Argentina has a strong umbrella organisation, Movimiento Argentino Para La Produccion Organica (MAPO), which organises programs, capacity building, research projects, conferences and meetings. MAPO organised the 12th IFOAM Scientific Conference in Mar del Plata, 1998. There is also a new Trade Chamber, Cámara Argentina de Productores Organicos Certificados (CAPOC), a certifiers chamber, CACERT, and many local and regional networks.

Universities are quite active in organic issues, especially the National Buenos Aires University UBA, the Catholic University and the Salvador University. The National Agrarian Research Institute INTA has a whole area on organic farming, co-ordinated by a former IFOAM World Board Member, Pedro Gomez. INTA also carries the biggest organic family garden project in the world, PRO HUERTA, that reached almost one million families doing home organic farming in the 1990's, suffered a financial crisis, and is back in action since 2003.

11.2.2 Bolivia

Bolivia has grown from 31,025 certified hectares in 2000 to 364,100 in 2002. In the same period, the number of farms has gone from 5'240 to 6'500.

The most important products from Bolivia are coffee, quinoa, chestnut, cocoa, vegetables, tea, herbs and lesser volumes of amaranth, dehydrated fruits and beans.

Bolivia has chains of shops selling organic products, especially in La Paz, Cochabamba and Santa Cruz de la Sierra. The Tiendas Ecológicas AOPEB sell only certified products, and other shops like Irupana, Eco Market, El Ceibo and Protal sell also some uncertified, “natural” products from small farmers associations.

In January 2000 the Basic Norm for Ecological Agriculture in Bolivia, presented by AOPEB (Association of Organisations of Ecological Producers of Bolivia), universities and the Bolivian Standardising Institute, was approved under the ministerial resolution NB 907/001/2000. In 2003 a national law presented by the movement is being discussed in the legislative.

The Technical Co-ordination Committee within the Ministry of Agriculture is working on a National Policy for Ecological Production.

Some private institutions carry research programs on organic agriculture, like AOPEB, Productividad Biosfera Medio Ambiente (PROBIOMA), Promoción e Investigación de Productos Andinos (PROIMPA). Also the two state universities, the Agrochemical Programme of the Universidad Mayor de San Simón and the Institute of Ecology are developing organic research.

Bolivia has an IFOAM accredited national certifier, Bolicert, and many foreign certifiers acting in the country.

11.2.3 Brazil

In 2001 Brazil had 275,576 certified hectares. In 2003, there were 803,180. There is also a huge quantity of informally certified or not certified organic production, especially in the southern states of Rio Grande, Parana and Sao Paulo. The calculated number of organic producers is around 14'000. The total formally certified production reached 200 million US\$ in 2003. 90 percent of the farms are smallholdings. The growth of organic production is calculated in between 30 and 50 percent annual.

Exports are mainly raw products, like coffee, banana, soybeans, corn, etc. There is a growing export business of organic meat. Some processed products like concentrated fruit juices; sugar, processed soy and others are beginning to find international markets.

The domestic market in Brazil is, together with Argentina, the most developed in Latin America. 45 percent of the sales in the domestic market are done

through supermarkets, 26 percent through fairs and 16 percent in specialised stores. Most of the products are fresh vegetables and fruits, but there is a growing number of processors, both companies and small family units, processing tea, coffee, mate tea, jams, oils, breakfast cereals, dairy products.

There are 12 national, and about 9 international certification agencies acting in the country.

There is an intense movement around local marketing and “participatory certification”, especially in the south, with hundreds of weekly fairs, the biggest of them being in Porto Alegre, with more than 300 farmers selling directly to the public every week.

There are many NGOs working in organic farming in Brazil, mostly with small and family farms. The Eco Vida Network and the Association of Organic Agriculture (AAO) are well known examples. Those NGOs, together with consumer organisations, have lobbied against the permission for GMO planting, especially in the southern, agrarian states. In 2003 the government allowed GMOs.

Empresa Brasileira de Pesquisa Agropecuária (EMBRAPA), the national agricultural research centre, is developing several research projects, working in intense relationship with the producers. The Ministry of Agrarian Development is actually very involved in promoting ecological agriculture as an alternative for the millions of small farmers throughout the country.

11.2.4 Chile

In 2002, the number of certified hectares in Chile was 285,268. But it is estimated that in 2003 Chile had 646,150, including the final certification of Patagonian prairies destined to sheep production. Around 300 farms have been reported as certified organic.

Chile’s growth in organic production is fully geared to exports, and the main fresh products are: sheep meat, apples, cherries, asparagus, blueberries, avocado, citrus, and olives. There is also a growing export of processed products, like wine, olive oil and fruit juices and concentrates. Chile has a new and interesting development in organic salmon.

The internal market is very small although there are some home deliveries in the cities, carrying mainly vegetables and fruits, and few specialised shops (La Ventana Orgánica, Pura y Natural, etc.)

The Norm No. 2439 regulates the production, and recently the Norm No. 2079 was established to define the functioning of certifying agencies in the country.

The movement has recently united in the Agrupación de Agricultura Orgánica de Chile (AAOCH).

There are three national certifiers, the most active being Certificadora Chile Orgánico (CCO), Corporación de Investigación en Agricultura Alternativa (CIAL), who also serves as an inspection background for international agencies, and the smaller Corporación de Promoción Agropecuaria, PROA and Agroeco, and many international agencies acting in the country, some with permanent offices in Santiago (Argencert, IMO and BCS).

There is an efficient governmental support for exports through the official agency Pro Chile, and research being done in the Research Institute of Chillan INIA and the Universidad del Mar.

11.2.5 Colombia

The number of organic certified hectares was 33'000 in 2003, covering 0.25 percent of the total agricultural land. The number of farms is 4'500, the majority of them being smallholders.

40 percent of the organic land has coffee as a main production. Colombia also produces palm oil, sugar cane, fresh and dehydrated banana, fresh mango, medicinal plants, cocoa, and some processed fruits. There is also some production of livestock, sheep and pigs.

The domestic market is very small. Some “natural” food stores sell organic products. Supermarkets are beginning to carry some organic products, especially fruits and vegetables.

In 1995 Colombian Ministry of Agriculture issued the first regulation (Res. 0544/1995), which was modified in 2002 (Res. 0074). Colombia has a local certifier since the middle 90's: Biotrópico.

The Organic Agriculture Research Center (CIAO), the National University of Colombia, the University of Santa Rosa, and others are carrying programs of research into organic production.

Colombia has several groups and associations promoting organic agriculture, predominantly the Organic Coffee Producers Association ACOC and the Colombian Network on Biological Agriculture RECAB, Fundación Pro Sierra, Corporación Penca de Sabila, Corporación la Ceiba, Fidar, etc. and is in the way of organising a national co-ordinating institution for all organic production.

11.2.6 Costa Rica

In the year 2000, Costa Rica had 8,974 certified hectares. In 2003, it has grown to 13,967 with 3,987 producers.

The main exported products are banana puree, cocoa, coffee, spices and medicinal herbs, blackberries, orange pulp, mango, pineapple, etc.

Since 1992 the farm and training center Jugar del Valle has been selling vegetables to the Mas por Menos supermarket chain. COPROALDE organised a fair in 1994, and Comercio Alternativo reached hotels, supermarkets, restaurants and schools with organic produce. Other selling schemes are ALIMCA with home delivery, AFAORCA with coffee and APOETAR with vegetables. There is a very active organisation, CEDECO, promoting research, local markets and training, that have been efficient in supporting farmers markets in several regions.

Costa Rica has a National Certification System that has been recognised as equivalent by the European Union (2003), thus becoming part of the coveted third country list.

Since 1995 it has laws regulating pesticide use, and has had a Regulation on Organic Products created in 1997 and further modified in 2000 and 2001. There has been a National Program of Organic Agriculture, promoted by the Inter-American Institute for Co-operation on Agriculture (IICA), and today there is a draft of a law of National Promotion of Organic Production.

Costa Rica has two national certifiers, EcoLógica and the Central American Institute for the Certification of Organic Products (AIMCOPOP), and three registered international certifiers.

11.2.7 Cuba: Success Story: Urban Agriculture in Cuba

Cuba is perhaps the best example of the possibility of feeding large populations with organic products at low cost. Due to the crisis in the Soviet Block in the 80s, Cuba was unable to buy agrochemical inputs for its highly centralised, input dependent agriculture.

By 1990, Cuba had lost 85 percent of its imports. So the new policy was to lower the need of inputs and oil and turn the farms into self reliant units, recycling fertility and controlling pests with organic methods. Almost fifteen years later, Cuba is probably the biggest producer of organic vegetables in the world, and most of it is done in small urban plots with a highly diversified output and a massive network of simple laboratories that develop highly sophisticated biological pest control products at very low prices.

Due to the poor quality of the soil all urban agriculture is done in closed raised beds or containers, filled with organic matter and soil mix, usually brought from outside the city.

Many gardeners combine compost and soil, and others mix cachaza, the waste product from sugar cane. The cultivation methods are based on the principles of organic agriculture. Each organopónico has an area that is dedicated to the production of worm humus. As horses and animal power in general have had an impressive resurgence in Cuba due to the limited access to oil, there is lots of manure available.

In the municipality of Cienfuegos there are approximately 102 organopónicos (urban plots with vegetables), 63 are semi-private and 39 are managed by state enterprises. Cienfuegos, which is considered the “capital of urban agriculture in Cuba” produces almost 100 grams of fresh vegetable per capita per day.



Picture 12: Organopónicos (urban plots with vegetables) in Cuba. Photograph: Pipo Lernoud

Table 15: Production of Organopónicos in the province of Cienfuegos

Sources: Pipo Lernoud, Personal communications; Fernando Funes et al, “Transforming Cuban Agriculture”, Havana 2001; Taboulchanas, H.K. 2001. “Organic status and dietary role of organopónicos in Cienfuegos, Cuba”. Masters of Environmental Studies thesis, Dalhousie University, 2001.

Year	1994	1995	1996	1997	1998	1999
Production per year in tons	261	1'290	3'999	7'732	13'350	14'868
Yields (Kg/m2)	5.43	16.2	19.57	20.41	25.43	26.5

11.2.8 México

In the year 2000, Mexico had 85,675 certified hectares. In 2002, there were an estimated 215,843 hectares under certification. There are around 53,500 organic certified farms, many of them small and owned by indigenous peoples, run under the Internal Control System that allows farmers associations to be certified. There are two groups of producers: the small-scale, low-income producers, who are peasants and indigenous people that have small land holdings (2.25 hectares on average) and are grouped together in co-operatives, using Internal Control Systems, which facilitate certification and trading; and large-scale producers, which are private enterprises that cover between 100 to 2'000 hectares and operate independently. The small-scale, low-income producers comprised 98.6 percent of the total number of producers, farmed 84.1 percent of the total organic acreage and generated 68.8 percent of the foreign currencies earned; the rest of the figure was represented by large-scale producers. More than half of the certified land is destined to coffee production. Mexico is the world's biggest producer of organic coffee.

Most of the organic production is for export (between 80 and 85 percent), mainly to the United States and Europe and the main products are: coffee, vegetables, sesame seeds, blue maize, and maguey. There is also some production of vanilla, banana, papaya, apple, avocado, honey, and medicinal plants, soy beans, cocoa, oil palm, nuts. The organic export is valued in around 280 million US \$., which sums up to 8.5 percent of the total agricultural income.

The domestic market is very small. Only coffee and some vegetables and fruits are currently available, although there is a growing production of processed products like fruit jams and chili sauces. Herbs, honey, milk and tea are also present in some stores. Less than five percent is sold in specialised stores in big cities (Mexico, Monterrey y Guadalajara), cafeterias, street markets, tourist areas. About ten percent of the total production which is not exported is traded on the national market, but as conventional products.

Mexico has a growing problem with GMO contamination in corn, brought about by corn seeds imported from the U.S. It is said that all "tortillas" in Mexico have already GMO residues. It is important to mention that the country was the world's biodiversity center for corn, which is now in danger.

There is a Norm No. 37 that was supposed to regulate organic production, but is not effectively working. The movement is uniting under the Coordinadora Nacional de Agricultura Ecológica. In November 2003, a proposed regulatory framework for organic products (Iniciativa de Ley de Productos Organicos) was presented to Mexican senators for their approval.

There are several international certifiers with offices in Mexico: OCIA México, Naturland México, Bioagricert, IMO, BCS, Oregon Tilth Certified Organic, Quality Assurance International, FVO, etc. Certimex (ISO 65 approved) is the most important local agency.

There is active research being developed in the Chapingo University, and AECA is doing on farm research with small farmers.

The Secretary of Agriculture, in collaboration with the Bank of Mexico, has promised to finance 75 percent of certification costs in the short term.

Source: Laura Gomez Tovar y Manuel Angel Gomez Cruz, External Researches of the center for Economic, Social and Technological Research on World Agriculture and Agribusiness (CIESTAAM) Chapingo University, Mexico.

11.2.9 Peru

In 2001 Peru had 84,908 certified hectares. In 2003 it is estimated that there are 150,000 hectares under certification. More than 20'000 farms, most of them small and indigenous, producing coffee and cocoa under the internal control system.

97 percent of the production is exported, and 94 percent of those exports are coffee and cocoa. Banana is also a growing export. The exported value is around 30 million US\$. Other exported products are quinoa, cotton, pecan nut, Brazil nut, onions, asparagus, sesame seeds, amaranths, and tomato.

Although it amounts to only three percent of the production, there is a very well organised internal market, thanks to the work of Eco Logica Peru. There are weekly fairs in Lima and surroundings (Bio Ferias); there are home deliveries (Bio Canasta), small shops and defined areas in the supermarkets (Isla Ecológica). This channels move around half a million dollars yearly. The main products sold on the domestic market are: Vegetables (43 percent), fruits (41 percent), beans (9 percent) and roots crops: potatoes and sweet potatoes (7 percent).

There is a local certification agency, Inka Cert that together with other Latin American certifiers formed Bio Latina, accepted by the EU. The inspection body SKAL, IMO and SGS Peru have offices in Lima.

Since 1998 there has been a National Commission or Organic Production, CONAPO, which unites private sector, scientists and the governmental sector. In 2003, after a very long consensus process, the National Regulation was put in place.

In research, there is a lot of activity in the small farmers movement, through the technologies defined as DPT (Participatory Development of Technologies), co-ordinated by the NGO's Network of Organic Agriculture RAE, Centro IDEAS and the Peruvian Organic Producers Association ANPEP. There is also a widely extended capacity building through the farmer-to-farmer system. On the formal side, the Agrarian University of La Molina has for long been a centre of organic studies and education.

Success Story: Bioferia in Lima

The Bioferia in Miraflores, a neighbourhood in Lima, Perú, started on December the 4th 1999. It was organised with the help of the municipality. Since then, it is carried every Saturday in Reducto Park from 8 a.m. to 2 p.m. It spans for almost a block (100 meters) in the quietest edge of the Park.

70 percent of the fair participants are “productores del campo” (farmers), representing more than 300 farmers from Piura, Cajamarca, Huañaco, Pasco, Junin; Huancavelco, Ico, Arequipa, Cusco, Madre de Dios and Lima. There are more than 350 food products, including fruits, vegetables, breads, jams, coffee, milk products from cows & goats, chicken, eggs, seeds, etc. All producers and processors are certified. Every producer must fill a document that states the offered products & prices.



Picture 13: Bioferia in Lima, Perú. Photograph: Pipo Lernoud

The rest of the area is occupied by natural health groups, environmental organisations, alternative education programs and, of course, NGOs that promote organic production and agroecology. Various activities related with ecology and food, like conferences, workshops puppet- & theatre shows for children and adults are carried out every week. Children have many opportunities to learn and participate, and this also facilitates parent's freedom for visiting the fair relaxed, ask questions and learn about organic farming.

The Bioferia has been growing since its beginning, with more farmers joining constantly and more consumers having the habit of buying every weekend. It is already a standard in Lima, for the people to "visitor la Feria" every Saturday morning.

Recently, the first Ecological Consumers Committee was organised, and has taken the task of spreading information about organic production and promoting the rights of consumers to the full information about food.

The fair organising committee has made several publications, including a very educating video, in conjunction with IFOAM.

Source: Cesar de la Cruz, Ecológica Perú. More information: cesar@ecologicaperu.com; Pipo Lernoud, personal visits & communications.

11.2.10 Uruguay

Uruguay has 760,000 certified hectares in 2004, a stunning growth from the 1,200 reported in 2000. There are 500 organic farms.

99 percent of the area is destined to meat for exports, representing a big part of the value of Uruguayan organic exports, approximately 900,000 US \$ last year. Other exports are wines, (with 140,000 US \$), honey (with 300,000 US \$), rice, milk and citrus fruits. During 2004, the estimated export volume was US \$ 2.5 million, and the internal market US \$ 1.1 million.

The domestic market is small, happening mainly through supermarkets (58 percent), home deliveries (25 percent), farmers markets (10 percent) and on-farm sales (7 percent). A weekly organic fair is taking place in Montevideo. Organised by the Small Producers Association, Asociación de Productores Orgánicos del Uruguay (APODU).

Organic production in Uruguay is regulated by a decree from the Minister of Agriculture No. 360/992. The newly founded umbrella organisation, the Uruguayan Organic Movement (Movimiento Uruguay Orgánico – MUO), is working with the government in the details of a future legal structure. The INIA, National Institute of Agrarian Research, is carrying a research in organic meat.

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11.4 Table: Organic Farming in Latin America

Table 16: Land Under Organic Management and Number of Organic Farms in Latin America

Source: SOEL-Survey, February 2005

Country	Date	Organic Hectares	% of Agricultural Area	Organic Farms
Argentina	2004	2,800,000	1.58	1,781
Belize	2000	1,810	1.19	
Bolivia	2002	364,100	0.99	6,500
Brazil	2003	803,180	0.30	14,003
Chile	2003	646,150	4.24	300
Colombia	2003	33,000	0.07	4,500
Costa Rica	2003	13,967	0.49	3,987
Cuba	2002	10,445	0.16	5,222
Dominican Rep.	2003	22,151	0.60	819
Ecuador	2001	60,000	0.74	2,500
El Salvador	2000	4,900	0.29	1,000
Guatemala	2000	14,746	0.33	2,830
Guyana	2003	109	0.01	28
Honduras	2000	1,769	0.06	3,000
Jamaica	2002	1,332	0.26	12
Mexico	2004	400,000	0.37	120,000
Nicaragua	2003	10,750	0.15	
Panama	2000	5,111	0.23	
Paraguay	2002	91,414	0.37	2,827
Peru	2003	150,000	0.48	20,000
Suriname	1998	250	0.28	
Uruguay	2002	760,000	5.11	500
Venezuela	2003	16,000	0.07	4
SUM		6,211,184		189,813

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12 Mediterranean Partner Countries³¹

*Lina Al-Bitar*³²

21.1 Introduction

Over the last years, organic agriculture has attracted much attention in the Mediterranean countries for both environmental reasons and market opportunities. In fact, the Mediterranean region is a world-wide important market for agricultural products and foodstuffs, in particular for the European countries.

Organic agriculture was introduced in the Mediterranean area more than 20 years ago by some foreign private companies looking for new investment opportunities in Morocco, Egypt, Turkey and Tunisia.

Nevertheless, expansion of this activity to the whole region was quite slow until the year 2000. Thereafter, a rapid growth occurred. Today, the concept of organic agriculture has gained much attention in almost all the Mediterranean partner countries (table 1), stimulated by two factors: (i) the progressive interest of the European stakeholders that have moved more and more to the South to meet the growing demand of the North-European consumers and (ii) the interest for new commercial opportunities identified by local producers.

12.2 Statistical Development: Continued Growth

Over the last few years organic farming in the South has been very vital, as shown by the strong growing trend of surface areas (see table), driven undoubtedly by market phenomena but also by the evolution of the local agricultural policies, increasingly sensitive to environmental sustainability and production upgrading.

However, one of the major weaknesses of Mediterranean organic agriculture is the lack of statistics. In fact, it is not easy to find reliable data on the present state and spread of organic agriculture in the Mediterranean basin.

³¹ The Mediterranean countries Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Authority, Syria, Tunisia and Turkey have entered a Euro-Mediterranean partnership with the European Union. Further info see “Barcelona Declaration and Euro-Mediterranean partnership” at <http://europa.eu.int/scadplus/leg/en/lvb/r15001.htm>

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Table 17: Organic land area (hectares) and number of organic farms in the Mediterranean partner countries

Source: Al-Bitar L, 2004, (in press); *Abd El Moity, 2003; **Telmat and Hadjeres, 2003; ***Al-Damarat, 2004

Country	Farms	Organic area (hectares) - certified and in conversion
Albania	60	192.3
Algeria	n.a.	1,400**
Egypt	500	17,000*
Israel	400	5640
Lebanon	164	758
Jordan	4	7.25***
Malta	20	14.45
Morocco	12,051	20,040
Syria	2	260
Tunisia	580	33 500
Turkey	13,044	103,190

Table 18: Comparison of organic land area (ha) in the Mediterranean partner countries between 2002 and 2004

Source: Al-Bitar 2002, Al-Bitar 2004 (in press), *Abd El Moity, 2003, **Telmat and Hadjeres, 2003, ***Al-Damarat, 2004

Country	Organic area (hectares)	
	2004 (publication date)	2002
Albania	192.3	4
Algeria	1.400**	-
Egypt	17.000*	4.167
Jordan	7.25***	-
Israel	5.640	5.000
Lebanon	758	300
Malta	14.45	-
Morocco	20.040	11.956
Syria	260	-
Tunisia	33.500	15.035
Turkey	103.190	44.532
Total area	181.984	80.994

In order to respond to the growing information needs on organic agriculture in the Mediterranean area and to start monitoring the growth trend of this sector, the Italian offshoot of the International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM-IAMB) started a Mediterranean Network on Organic Agriculture (MOAN) in 1999 (www.iamb.it). A preliminary objective of MOAN was to gather detailed data on organic agriculture in the CIHEAM-member states (Albania, Algeria, Egypt, Greece, Italy, Lebanon, Malta, Morocco, Portugal, Spain, Tunisia and Turkey).

Subsequently, much attention has been given to the Mediterranean Partner countries where statistics monitoring the growth trend of this sector are lacking and where a real need of information on the situation of organic agriculture exists. Therefore, it was decided to focus the work of MOAN mainly on the Mediterranean Partner countries, who are members of CIHEAM and to enlarge it to the other countries of the South-East shore in order to cover the whole area.

Based on the analysis of the economic performance of organic agriculture in each single country, MOAN made an effort to reconstruct the economic weight of the whole sector, to cast light on the major technical, agronomic, legal and market issues, on the institutions dealing with education, research and experimentation and to get acquainted with the activities carried out by agencies and organisations operating in this sector.

The first report (Al-Bitar 2002) was intended to give a major contribution to help national and international institutions understanding the phenomenon and bringing up proposals and initiatives for the development of organic agriculture in the Mediterranean.

The second edition of the report is in press (Al-Bitar 2004). New countries (Israel, Syria and Jordan) were included.

A comparison between data of 2002 and 2004 shows a strong growth of the organic area in the Mediterranean countries (see table), with an increase of about 125 percent. The report also shows that between 2002 and 2004 organic farming expanded to new countries.

Nevertheless, substantial differences still exist between Southern Mediterranean countries in terms of importance of the organic sector (see figure 21).

This difference is also present between the EU- and the non-EU Mediterranean countries. In fact, the share of the non-EU countries represents only the seven percent of the total Mediterranean organic area (figure 22).

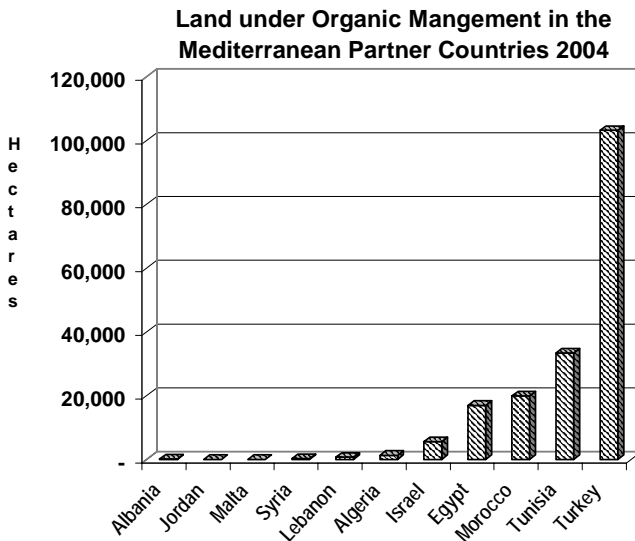


Figure 21: Organic land area (hectares) in the Mediterranean partner countries (2004)

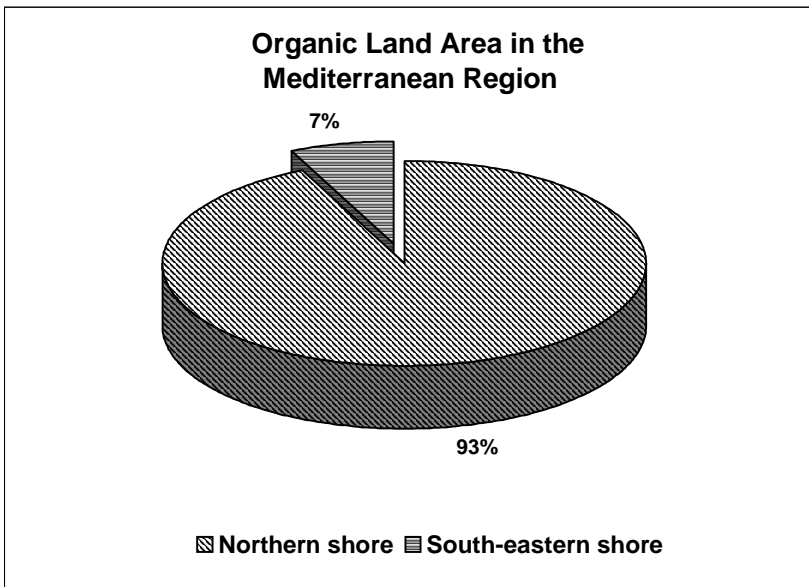


Figure 22: Share of the non-EU countries over the total organic area in the Mediterranean in percent

Milestones in the history of organic agriculture in the Mediterranean

- 1977 Beginning of organic farming in Egypt. Sekem lead the way
- 1980s Organic farmers in Israel founded the Israeli Bio Organic Association (IBOAA) after 10 years of unsuccessful attempts, thus lagging behind the general development of the sector in Israel
- 1984 to 1985 Development of organic farming in Turkey as a consequence of the growing organic market in Europe
- 1980s Organic agriculture starts in Tunisia with private initiatives
- 1986 Beginning of the organic movement in Morocco, driven by some citrus growers with French support
- 1990s Organic agriculture starts in Lebanon pushed by the need to find solutions to face the excessive use of chemicals in agriculture; AgriBioMediterraneo founded in Vignola, Italy
- 1994 Turkey establishes its own regulation
- 1997 Foundation of organic agriculture association (OAA) in Albania
- 1999 Issuing of the Tunisian regulation and foundation of the Maltese organic agriculture movement (MOAM); the International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM-IAMB) in Bari (Italy) starts the Mediterranean Network on Organic Agriculture (MOAN)
- 2000 Beginning of the organic movement in Algeria and foundation of the organic farming unit in Malta at the Ministry of agriculture;
- 2001 Foundation of the organic farming society in Jordan at the Ministry of Agriculture; in the same year, the first symposium on organic agriculture took place in Morocco
- 2002 establishment of the national unit for control and certification at the Ministry of Agriculture in Algeria
- 2003 Foundation of the organic committee in Syria. In the same year, the first Arab Conference on Organic Agriculture took place in Tunisia, followed by various other initiatives in the region showing the great expansion of the sector. One of these initiatives is the foundation of the Middle East Natural Products Expo organised every year in Dubai (www.globallinksdubai.com)

12.3 The IFOAM Mediterranean Regional Group - AgriBioMediterraneo³³

AgriBioMediterraneo (ABM) was initiated in Vignola (Italy) in 1990 to facilitate and stimulate the coordination of different bodies taking active part in organic agriculture in Mediterranean Europe. Since then, ABM conferences have been organised every year and participation has been widened to include the southern and eastern Mediterranean countries. In 1996, at the conference held in Egypt, the will to establish a Secretariat was expressed. It was in accordance with the decision taken by the IFOAM World Board of Directors for regionalisation. A steering committee was established with the involvement of the chairpersons of the four workgroups on marketing, training, standards and certification and research.

ABM became an official IFOAM regional group at its first General Assembly held in Bari, Italy in 1997, and its Secretariat settled at the Mediterranean Agronomic Institute of Bari (IAMB).

At present ABM consists of more than 130 IFOAM members from three continents (Africa, Asia, Europe) and 19 countries bordering the Mediterranean Sea: Albania, Algeria, Bosnia-Herzegovina, Croatia, Cyprus, Egypt, France, Greece, Israel, Italy, Lebanon, Malta, Palestine, Portugal, Slovenia, Spain, Syria, Turkey and Yugoslavia.

The secretariat now is located at the region of Crete (Greece) at the Department of Agricultural Development.

12.4 Market

Domestic markets and exports differ markedly from country to country. However, generally speaking, in the absence of local markets and national labelling systems in most of the countries, organic food is primarily oriented towards export; 85 percent of the produce is destined for export. Main markets are the EU countries, USA, Japan and the Gulf states.

However, the development of the domestic market is getting started. In fact, in many of the countries health or specialised shops are being opened, and some supermarkets started to introduce organic shelves. Besides, local fairs where organic farmers may sell their products directly are increasing. Nevertheless, in many other cases, organic products are sold as conventional or as typical products because of marketing problems.

The main organic products of the Mediterranean partner countries sold in Europe are listed in table 19.

³³Based on Aksoy, 1998.

Table 19: Main Mediterranean commodities exported to the EU and their country of origin

Crop/commodity	Exporting country
Horticultural crops	Israel, Morocco, Tunisia and Egypt
Tubers	Israel, Algeria and Morocco
Citrus	Morocco
Fresh fruits	Israel and North Africa
Dried fruits	Egypt, Morocco, Tunisia and Turkey
Olive oil	Tunisia
Medicinal and aromatic plants	Morocco, Tunisia and Egypt
Honey	Algeria and Tunisia
Cotton	Egypt
Processed products	Turkey

12.5 Regulation/Certification

The legal framework differs from country to country. It evolved notably in the last two years. Until recently, very few countries had a national legislation (only Tunisia and Turkey).

Even though the organic movement in Egypt, Israel and Morocco is not in its infancy any more, these countries have not yet developed a national legislation. Only very recently, a draft regulation in Morocco was prepared and is still waiting for the final approval. In Israel a first draft of the law was accepted by the parliament to be completed by the end of 2004.

An opposite situation is present in Albania, Malta and Lebanon where organic agriculture is almost new. National regulations have, however, already been approved, or are being approved only few months after they have been submitted – like in Lebanon.

Certification in all Mediterranean partner countries is done mainly by foreign organisations (except Israel where all are local). Some local certification bodies are operating in Albania, Turkey and Egypt or are under approval like the case of Malta.

12.6 Government Support

Government support is more or less lacking in most of the countries. Only Tunisia and Malta subsidise organic farmers directly through financial aids. In Turkey and Israel indirect support is given through reduced loan interest (Turkey) or support for training and data collection (Israel). Some new-entry countries like Syria are already elaborating some support strategies.

12.7 Research, Extension and Training

No real organic research is being undertaken, except in Turkey and Israel where research is also supported by the Ministry of Agriculture.

In most of the countries, research is being conducted by the organic associations and is carried out on farms.

The Mediterranean agronomic institute of Bari (IAMB) promotes comparative research in different Mediterranean countries through its Master mobility programme and its network MOAN.

Training is mainly vocational provided by associations and extension services. Only in Morocco, Tunisia and Turkey academic training is given at graduate and post-graduate level.

IAMB grants scholarships to citizens coming from Mediterranean countries to attend the post-graduate and Master course in Mediterranean organic agriculture (www.iamb.it), which is run by IAMB since 1999. IAMB also organises special sessions of short training in some of these countries.

12.8 Case Study: The SEKEM Initiative ³⁴

The SEKEM Initiative started in 1977 on 50 hectares of desert land, 60 km north-east of Cairo. Soon after SEKEM was established, the founder Dr. Ibrahim Abouleish, who brought his experience from Germany, was joined by other Egyptian and European individuals, whose combined efforts helped develop the SEKEM initiative further, strongly indicating what could be achieved by a group of committed, enthusiastic, self-motivated people to further and promote the development of the goals and aims of SEKEM.

It was not long before SEKEM began to diversify into biodynamic cotton production, herbal medicines, textiles and food processing under the guidance of German experts.

SEKEM, which means vitality from the sun, with its holistic vision, encompassing economic, social and cultural endeavours with the main aim to develop the people, seeks to enhance and bring a greater integration of the arts, religion and sciences by establishing and promoting institutions related to education, applied research and health care.

At present about two thousand people are employed by SEKEM within its different companies. Every morning at a specific time, employees of each company meet in a circle, where each person very briefly reports about his activities of the previous day as well as his work intentions for the present day.

³⁴Based on http://www.sekem.com/main_n.html

The SEKEM Group of Companies integrates the economic, social and cultural spheres of life in all aspects of its work. Thus, employees are empowered to realise their full potential as responsible and capable members of society.

This allows each person to experience a sense of dignity as a member of the SEKEM community.

12.9 Future

Heterogeneity and unreliability of data, difficulty in finding statistical information, lack of training and technical know-how, insufficient research and support policies, problems of equivalency in regulations are facing the growth of organic agriculture in the Mediterranean partner countries.

Nevertheless, organic farming may represent an important opportunity for the development of the agricultural and economic sectors of these countries, the creation of important new job opportunities and the preservation of natural resources.

Moreover, organic agriculture should be regarded as a potential tool for the strengthening of the Euro-Mediterranean relationships; in fact, it is one of the priorities of the Euro-Med co-operation in agriculture, as reported by article 16 of the conclusions of the Euro-Med Ministerial conference on agriculture in Venice in 2003 (Lacirignola, 2004): “the community has played a leading role in determining the legislative aspects on organic farming ..., and could share know-how and experience in this field with its Mediterranean partners”.

In fact, an equivalent legal framework by creating harmonised and shared rules and norms should be developed. Various actions should be undertaken such as the creation of databases for the collection and dissemination of information, institutional capacity building and activities of research and experimentation.

A key strategy should require the Mediterranean partner countries to work on adding value to their agricultural and industrial production in order to put on the market high quality products that should be complementary and not competitive to the European products.

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1 North America

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Figure 23: Organic farming in North America.

Source: SOEL Survey, February 2005

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13.1 United States

13.1.1 Introduction

Two years after full implementation of U.S. National Organic Standards, interest in organic products continues to grow in the United States, both for the categories of product offered and venues for selling these products.

Organic products are finding more outlets, and the range of products continues to widen. The *Organic Trade Association's (OTA's) 2004 Manufacturer Survey*, for instance, confirmed that organic foods are increasingly found in more mainstream retail establishments. In 2003, 44 percent of total organic food sales were handled through supermarkets and grocery stores, mass merchandisers, and club stores. Meanwhile, independent natural product and health food stores and natural grocery chains accounted for 48 percent of sales, with the remaining nine percent made up of sales at farmers' markets, through foodservice, exports and other non-retail store sales.

While still representing a small percentage of the market, foodservice is a growing venue for organic. Additional manufacturers are offering organic products designed for foodservice outlets, and organic products are starting to show up in some school vending machines, as well as in more and more school and university cafeterias and in restaurants.

13.1.2 Organic sales

U.S. organic food and non-food sales grew by approximately 20 percent during 2003, to reach US \$ 10.8 billion, according to figures from the OTA survey released in May 2004.

According to survey results, sales of organic foods were approximately US \$ 10.38 billion in 2003, up 20.4 percent from the previous year. Meanwhile, "non-food" organic products, such as personal care products, nutritional supplements, organic fiber, household cleaners, flowers and pet food, grew by 19.8 percent, to reach US \$ 440 million in sales.

Readers will notice that these numbers are lower than those projected in the 2004 issue of *The World of Organic Agriculture*. There are several plausible explanations. The major one: because there is no agency that tracks organic sales in the United States, all statistics to date have been projections based on various independent market surveys. These have fallen in a wide range, and some of them may have inadvertently included natural sales with organic sales. Secondly, with full implementation of national organic standards in 2002, some products previously marketed as organic may not meet the current criteria, and thus are unable to be sold as organic.

What is consistent, however, is the strong growth rate for U.S. sales of organic products. U.S. organic food sales have grown between 17 and 21 percent each year since 1997, to nearly triple in sales, while total U.S. food sales over this time period have grown in the range of only 2 to 4 percent a year. According to the findings, organic food sales now represent approximately 2 percent of U.S. food sales.

The OTA survey, conducted in February and March 2004, collected data for 71 food subcategories. Experiencing approximately 20 percent sales growth in 2003, organic fruits and vegetables represented about 42 percent of organic food sales. Meanwhile, the category of organic meat, poultry and fish represented only one percent of organic food sales but experienced the largest spurt, growing by nearly 78 percent during 2003.



Picture 14: Models showed off organic clothing by Ecoganik in the Organic Trade Association's Wear Organic! fashion show held in May 2004 in Chicago. Twenty-three companies and more than 80 organic apparel designs were showcased in the fashion show held in conjunction with the 2004 All Things Organic Conference and Trade Show in May in Chicago. Photo courtesy the Organic Trade Association.

13.1.3 Organic production

The latest statistics for U.S. organic production cover only through 2002, and even these are very rough figures based on data collected by the U.S. Department of Agriculture's (USDA's) National Agricultural Statistics Service (NASS) through its 2002 Census of Agriculture. Findings from this census were released during 2004.

According to the census, there were 11'998 certified organic farms in 2002, representing approximately 0.6 percent of all farms in the United States. The value of organic commodities produced on these farms totaled US \$ 392'813'000, with average per farm revenue of US \$ 32,740. Land used to grow certified organically produced crops totaled 562,486 acres (227,727 hectares) on 7,254 farms, of which 6,126 are run by individuals or families, the census reported. However, questions on organic production in the census excluded pasture and rangeland, and thus these figures are quite low. In addition, there may have been some confusion among producers on what organic operations they should report acreage. Census results do include a statement explaining that its count of farms producing certified organic crops may differ from other sources because the information was self-reported by respondents, and no attempt was made to verify reports with certifying agencies.

USDA's Economic Research Service (ERS), meanwhile, continues to glean production and acreage data from certification agencies, and plans to publish a report in first quarter 2005 concerning the information it has pieced together, according to Catherine Greene, ERS economist.

ERS data for 2001 showed 1 million acres (0.4 million hectares) for organic pasture and rangeland and an additional 1.3 million acres (0.53 million hectares) in organic crops. Most segments of the U.S. organic farm sector have expanded rapidly since then, according to Greene. Preliminary USDA estimates based on certifier data indicate that certified organic cropland increased substantially between 2001 and 2003, with strong gains for fruits and vegetables and other specialty crops.

In California, the nation's top fruit and vegetable state, certified acreage was up for both market-garden operations, which sell mostly direct to the consumer, as well as for large-scale operations that tap wholesale and retail markets. The Pacific Northwest and other regions also showed substantial increases in certified fruit and vegetable acreage. Grain crop acreage increased as well during this period, and most U.S. states posted an increase in certified acreage for organic crops.

Certified organic pasture and rangeland declined substantially between 2001 and 2003, but the losses were mostly for rangeland in the western region. Many states and regions showed substantial increases in livestock production during this period, particularly for dairy and poultry operations. The number of certified organic operations was also up between 2001 and 2003 as new organic farmers entered the market and existing organic farmers enlarged their operations. The number of certified organic operations expanded in the Midwest, Northeast, and other regions. State and private groups are continuing their efforts and collaborations to develop the resources needed to support more widespread adoption of organic agriculture in the United States, Greene said.

During 2005, ERS plans a nation-wide survey of organic manufacturers, processors and distributors to determine information about certified organic handlers in 2004. Among the numerous questions will be queries about the impact of implementation of national organic standards on their operations and also a breakdown by percent of products falling in the different categories (100 percent organic, organic, made with organic ingredients) and whether they use the USDA Organic seal. Coordinating the survey will be the Social & Economic Sciences Research Center at Washington State University, Pullman, Washington.

In addition, Congress has allocated funds for a future survey on organic dairy operations. This NASS survey will be designed to determine cost of production, structural characteristics and financial indicators of farm success, thus allowing side-by-side comparisons of organic and conventional dairy operations, Greene said.

Meanwhile, final results released in July 2004 from the *Fourth National Organic Farmers' Survey* conducted by the Organic Farming Research Foundation in 2002 show most organic farmers taking part in the survey reported their operations are family-based.

Ninety-four percent of respondents run single-family operations, family farm partnerships or family farm corporations. More than half (54 percent) farm fewer than 50 certified organic acres (20.24 hectares), with another 25 percent reporting farming between 50 and 179 certified organic acres (between 20.24 and 72.42 hectares), and 21 percent reporting farming 180 or more certified organic acres (ca. 73 hectares).

Survey returns accounted for 184,898 certified organic acres (74,857 hectares), representing approximately eight percent of total certified acres for the year 2001 based on a comparison with U.S. Department of Agriculture Economic Research Service data collected for 2000 to 2001.

Some selected highlights from the report:

- 79 percent of vegetables produced were sold within 100 miles of the farm.
- Organic livestock products tended to be sold furthest from the farm, with 47 percent sold more than 500 miles away.
- 26 percent of respondents said their prices went up in 2001, 15 percent said they went down, and 52 percent said their prices held steady.

Asked why they chose to farm organically, farmers identified the following as their most important reasons:

- Land stewardship and ecological sustainability
- Chemical avoidance for family and farm worker health
- Chemical avoidance for environmental health
- Organic represents good farming practices
- They view their farm as an ecological system.

13.1.4 Strict organic standards

Farmers taking part in a separate survey conducted by the Iowa State University Organic Program in collaboration with OTA voiced strong support for maintaining high standards for organic production and processing to ensure consumer confidence.

Launched with support from the Leopold Center for Sustainable Agriculture, the survey was designed to determine the impact of the National Organic Program (NOP) on Iowa farmers. Sent to over 400 farmers in Iowa, it yielded results from 120 individual surveys. Kathleen Delate, associate professor in the Organic Agriculture Program at Iowa State University's Departments of Agronomy and Horticulture, oversaw the project. Results were released in August 2004.

37 percent of those responding felt NOP has helped in standardising organic regulations. Some respondents also indicated that national organic standards have made it easier for beginning organic farmers and easier to find organic grains for livestock. Farmers reported that in general, the NOP rule has not drastically changed organic certification requirements developed by private and state certification agencies from 1973 to 2000.

The overall average of acres farmed, including organic and conventional acreage, was 775 acres, although 51 percent of respondents farm 200 acres or less. The highest organic acreage reported was 1'050 acres. Asked what their biggest challenges were to getting their organic products to market, 37 percent of the farmers checked "finding a market which will pay value-added costs of organic products." Interestingly, 31.5 percent chose "growing enough product to meet demand for organic products." Nearly 40 percent of those responding said they plan on increasing their organic acres, with the majority saying they planned to increase their acreage by up to 25 percent.

When asked specifically about NOP, farmers said the new requirements for keeping records concerning compost and the necessity of obtaining organic seed were their key concerns. Some respondents reported the challenges of doing paperwork for organic certification, as well as marketing, competition, increased workloads, more difficult farm practices and enforcement.

13.1.5 Regulatory

As part of its implementation of national organic standards, USDA as of Oct. 8, 2004, had accredited 56 domestic certifying agencies and 41 certifying agencies from outside the United States. There also were other agencies still under review for possible accreditation.

Two years after implementation of national organic standards finds some major hurdles remaining. The biggest bump during 2004 materialised in April, when USDA's National Organic Program, without prior warning or consultation with the organic industry, posted guidance documents and directives that redefined the scope of enforcement for national organic standards and offered provisions that threatened the high integrity of organic practices. The redefinition of the scope of enforcement, for instance, said that personal care products, dietary supplements, fertilizers, soil amendments, manure and related materials, fish and seafood, and pet foods could not display the USDA Organic seal or imply that they were produced or handled to the USDA NOP standards. The document gave companies until Oct. 21, 2005, to use up existing supplies of labels and packaging.

After great outcry from OTA, others within the industry, consumers and members of Congress decrying these measures, Secretary of Agriculture Ann Veneman in late May directed the Agricultural Marketing Service (AMS) to rescind the documents and to work with the National Organic Standards Board (NOSB) and the organic industry to reach the best solutions to issues raised in implementing national organic standards.

In response, OTA as well as NOSB and other interested organisations began working on drafting formal responses to NOP to help resolve these issues to uphold the integrity of the organic label.

Meeting in October in Washington, D.C., NOSB offered detailed critiques on the three guidance documents (NOP scope, the use of fishmeal in livestock feed, and antibiotics in livestock health care) and the directive to certifiers regarding allowing the use pesticides containing unknown inert ingredients. In its discussion, NOSB:

- Opposed allowing the use of pesticides with unknown inert ingredients.
- Opposed feeding livestock fishmeal that contains a synthetic preservative not listed as an approved material.
- Opposed allowing antibiotics in livestock being raised to produce organic products. NOSB has drawn up recommendations concerning the origin of organic dairy livestock and has urged NOP to issue a proposed rule change based on them.

NOSB backed the NOP stance that organically produced agricultural products should be prohibited from being certified as produced according to the NOP rule if used for dietary supplements or other items not specifically mentioned in the Organic Foods Production Act.

OTA, however, has voiced its opposition to this stance, and explained it believes that if a product meets the rule, it is by definition an organically produced agricultural product, and therefore should fall under the scope of the National Organic Program.

NOP reported that it would post its responses to NOSB's positions on the NOP web site by the end of November.

By the end of 2004, the industry was looking forward to the posting of results from the American National Standards Institute's (ANSI's) peer review audit of NOP's accreditation program and NOP's reply to this review. However, OTA said that this should not substitute for establishing a peer review panel for certification agencies, as mandated by the Organic Foods Production Act of 1990.

During OTA's Congressional Education Day visits in Washington, D.C., in October, OTA was given the assurance that members of Congress would be putting together a "dear colleague" letter directing the Secretary of Agriculture to have NOP appoint a peer review panel. Because issues specific to organic certification, such as maintaining an organic system plan, require specialised knowledge, it is vital to have a panel of peers review the work of certifiers, the industry believes.

Meanwhile, NOP has indicated that it is creating certifier trainings that will be implemented in fiscal year 2005. Without certifiers both domestically and internationally working with the same guidance, implementation at times has fallen short of industry expectations.

Katherine DiMatteo, OTA's executive director, points out that the ANSI audit of accreditation, a peer review panel of certification agencies, and certifier trainings will go a long way to help tie up some of the major loose ends that have plagued implementation of national organic standards. With these in place, the U.S. national organic standards should be back on the right track.

13.1.6 Consumer acceptance

Meanwhile, consumer acceptance of organic products continues to grow.

66 percent of U.S. consumers report they use organic products at least occasionally, according to The Hartman Group's report, *Organic Food & Beverage Trends 2004: Lifestyles, Language and Category Adoption*. That number is up from 55 percent in 2000.

A surge in periphery organic shoppers - those who buy organic products only occasionally - has been largely driven by increased access to organic products in mainstream markets, heightened concern about health, gradual emergence of organic alternatives in mainstream brands, and an increase in information sources. "Health and nutritional concerns remain the most frequently selected reason for purchasing organic foods, with 46 percent of all organic consumers citing this as a reason," according to Laurie Demeritt, president and chief operating officer for The Hartman Group.

The Hartman Group's December 2003 *Organic Trends Study* of 5'000 consumers found that certain ethnic groups - Asian Americans, Native Americans, Hispanic and African Americans are more apt to chose organic products than Caucasians. In fact, compared with the general population, Asians and Spanish-origin consumers are less deterred by price and more motivated by family reasons for choosing organic products.

Consumers selecting organic products feel generally responsible for their and their family's health. They are willing to pay more for specific organic products because they equate them with high value, and they have an increased reliance on food as preventative medicine, the study showed. Many are also looking for a taste or gourmet experience.

According to The Hartman Group findings, frequency of use has grown, with those using organic products daily growing from eight percent in 2000 to eleven percent in 2003, weekly use growing from nine percent to 16 percent of consumers, and monthly growing from five percent to ten percent of consumers.

Although those reporting occasional use dropping from 34 percent to 28 percent, those reporting never eating organic dropped from 45 percent to 34 percent.

Meanwhile, *The Organic Consumer Trends Report 2004* from the Natural Marketing Institute projected U.S. sales of organic food and beverages would grow to 12.3 billion in 2004, up about 22 percent from 2003. Marketing channels include natural food stores (46 percent), mainstream supermarkets (42 percent), mass merchandisers five percent, and direct marketing and other channels (7 percent).

The leading organic sales categories include non-dairy beverages, packaged fresh produce, frozen entrees, milk, and baked goods. Showing great growth are frozen and refrigerated organic meat, poultry and seafood. According to NMI data, devoted consumers represent about 7.5 percent of all consumers, temperates represent 25.1 percent, dabblers represent 7.3 percent, and reluctants represent 60.1 percent.

13.1.7 Research

There continue to be strides on the U.S. front for organic research. One indication that there is progress was the announcement that researcher Kathleen Delate at Iowa State University now holds the first tenured professor position in organic agriculture in the United States



Picture 15: Kathleen Delate, showing off an organic piglet, holds the first tenured professor position in organic agriculture in the United States. Photo by Laura Sayre.

Exemplifying the growing interest in organic research, the Secretary of Agriculture Ann M. Veneman in late September announced 4,614,980 US \$ in grants that the USDA has awarded for eleven projects in six states to strengthen the Integrated Organic Program, which supports research, extension, and higher education programs. The grants were awarded to:

- University of Arkansas, 305,015 US \$ for slow-growing broilers in organic production.
- University of California at Santa Cruz, 571,902 US \$ for improving fertility and pest management strategies for organic crop production and strengthening research/grower network.
- University of California at Davis, 297,814 US \$ for nutrient dynamics, soil biota and functional biodiversity at an organic farm and US \$ 186,624 for the activity and suppression of soil-borne pathogens and pests in organic versus conventional plots.
- Tufts University, 197,768 US \$ for strengthening the scientific foundation of organic standards on animal health and welfare.
- University of Minnesota, 463,645 US \$ for soybean aphid suppression using a fall-seeded rye cover crop.
- Cornell University, 518,306 US \$ for the transitioning dairy, 894,450 US \$ for the organic seed partnership, and 575,028 US \$ for a research and education partnership for increased competitiveness of organic grain and vegetable farms.
- University of Vermont, 301,161 US \$ for profitability and transitional analysis of Northeast organic dairy farms.
- USDA's Agricultural Research Service Tree Fruit Laboratory in Wenatchee, WA, 303,267 US \$ for use of resident biological resources for the management of replant disease in organic tree fruit production systems.

In addition, new research from The Rodale Institute funded by the Pennsylvania Department of Environmental Protection has shown that by composting manure, farmers can significantly improve the quality of water entering the nation's watersheds. The report, *Water Agriculture and You*, demonstrates that compost provides optimum nutrient levels for crop growth while minimising non-point nutrient pollution of ground and surface waters. Research at The Rodale Institute also documents that the use of organic farming practices reduces agricultural water pollution by up to 75 percent, improves quality in surface and ground waters, and benefits water quality in downstream marine environments.

Meanwhile, activities are picking up for The Organic Center for Education and Promotion. Established in 2002 by OTA as an independent, charitable non-profit organisation, The Organic Center for Education and Promotion in May 2003 officially launched a fundraising campaign to fund its work.

The mission of The Organic Center is to provide consumers, health care professionals, educators, public officials, and government agencies with credible scientific information about the benefits linked to organic agriculture and products. It is a clearinghouse for this information, tracking research, both past and current, analysing the results and providing it to the public, the media, and government agencies. The Organic Center works with leading researchers to prioritise and fund new scientific investigations into the benefits of organic, and to disseminate the findings through educational, promotional and media-related activities.

A Scientific and Technical Advisory Committee (STAC) comprised of knowledgeable experts from the United States and the international community provides assistance and counsel for the research and interpretive activities of The Organic Center. STAC is responsible for shaping and overseeing The Organic Center's scientific and technical programs, and for identifying and initiating priority research projects on the benefits of organic food and farming systems.

Recently, The Organic Center granted 141,130 US \$ in its first round of funding for three research projects. The awards are for:

- A Washington State University team led by Dr. John Reganold investigating the differences in nutrition, taste and pesticide residue between strawberries grown on organic and conventional farms in the Pacific Northwest.
- The World Vegetable Center's research into the concentrations of lycopene and other phytochemicals in tomatoes grown using conventional and organic management systems. Lycopene is a powerful antioxidant abundant in red tomatoes and processed tomato products that may help prevent prostate cancer and some other forms of cancer, heart disease, and other serious diseases.
- A Tufts University proposal to develop effective tools for measuring food quality that discerns the difference between organic and conventionally produced foods. There's a strong testing program in place for pesticide residues in organic and conventionally grown foods. The study of nutrition, taste and other differences is a relatively new field. The research funded by The Organic Center will help scientists compare "apples to apples," literally. The study will be led by Kathleen Merrigan and Jeffrey Blumberg.

In addition, The Organic Center in May 2004 issued its first State of Science report, entitled “Minimising Pesticide Dietary Exposure Through the Consumption of Organic Food.” It intends to continue to issue State of Science reports as they become available.

13.1.8 All Things Organic™

Held for the fourth year in a row, OTA’s All Things Organic™ Conference and Trade Show for the first time co-located with four other food-oriented food shows (Food Marketing Institute Show, the Fancy Food Show, United Produce Expo & Conference, and the U.S. Food Export Showcase) in May 2004 in Chicago, IL.

A resounding success, the trade show produced in partnership with Diversified Business Communications drew over 9,000 attendees over three days, while the accompanying conference featured three outstanding keystone speakers, 33 conference sessions, an organic fiber fashion show, welcome party, urban organic tour, dinner and awards ceremony, and much more.

Plans are now under way for OTA’s 2005 All Things Organic™ Conference and Trade Show, slated for April 30 to May 3, once again at McCormick Place in Chicago.



Meanwhile, OTA has begun posting profiles of some of its members on its web site. To read more about some success stories of these North American companies, go to www.ota.com/about/memberprofiles.html.

Picture 16: Over 9,000 attendees in May 2004 visited the All Things Organic show floor featuring 428 companies and 483 booths. Products ranged from dairy products and salad dressings to pet food and organic apparel. Photo courtesy the Organic Trade Association.

13.1.9 References

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- 5 U.S. Department of Agriculture's National Organic Program web site (www.ams.usda.gov/nop).
- 6 The Hartman Group (www.hartman-group.com), December 2003 *Organic Trends Study* and *Organic Food & Beverage Trends 2004: Lifestyles, Language and Category Adoption*.
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13.2 Canada

Canada has at least 3,317 certified organic producers and 250 additional producers in transition, according to findings from a 2004 study conducted by Anne Macey commissioned by Agriculture and Agri-Food Canada (AAFC). In addition, there are at least 499 certified organic processors and handlers, including manufacturers, seed cleaners, wholesalers and traders.

Crop production acreage for 2003 in Canada totalled 391,123 hectares (966,482 acres), according to the AAFC study results. An additional 119,564 hectares (295,477 acres) of pasture, native prairie and woodlots were certified organic. Macey estimated that over 0.4 million hectares (1 million acres) are under organic management, with another 5,525 hectares (13,400 acres) in transition toward certification.

For a farm to become certified, at least three years must pass following the last use of a non-permitted substance.

Canada has approximately 40 organic certification agencies to inspect and audit farms and processing facilities using organic methods. Some are accredited by Quebec's accreditation board, the Standards Council of Canada, or by the U.S. Department of Agriculture's (USDA) National Organic Program. However, many are not accredited at all.

A USDA Foreign Agricultural Service GAIN Report released Sept. 30, 2004, as a practical guide to help U.S. food exporters do business in the Canadian market noted that the import and sale of organic food products in Canada are governed by the same rules and regulations that apply to non-organic food products. Food products which are labelled or identified as "organic" are expected, as a minimum, to comply with the production, processing, packaging, labelling, storing and distribution requirements of Canada's National Standard for Organic Agriculture, ratified by the Standards Council of Canada in 1999.

According to the standard, a food product may be labelled "organic" if it consists of at least 95 percent organic ingredients. Products containing a minimum of 70 percent organic ingredients may make a claim on the principal display panel saying what percentage it contains. Products containing less than 70 percent organic ingredients may carry a claim only within the ingredient list.

Certification of organic products is voluntary in all provinces except Quebec. The province of Quebec has an organic regulation that requires certification by a certifying body accredited by the Conseil des appellations agroalimentaires du Quebec (CAAQ). During 2004, CAAQ proposed adopting standards governing organic certification for aquaculture by 2005.

13.2.1 Regional highlights

Close to 13 percent of Canada's organic vegetables are grown in British Columbia. This province also has the highest concentration of organic fruit producers, Macey's report showed.

An opinion survey by Synovate Research released in November 2003 showed that 53 percent of grocery shoppers in British Columbia had purchased organic foods over the past year. Of those purchasing organic food, nearly one-third said that 25 percent or more of their grocery purchases regularly include organic food. The poll also showed that organic food accounted for approximately eleven percent of all food purchases. The marketing survey was conducted for Certified Organic Associations of British Columbia (COABC).

Saskatchewan, meanwhile, has 34 percent of all certified organic producers in Canada, including 174 certified organic wild rice production operations.

The Prairie region of Canada specialises in the production of organic grains, most of which are destined for export. Prairie organic grain sales top 98 million CAN \$ (ca. 60 million Euro) annually, and demand is rising.

Much of Canada's organic dairy industry is concentrated in Quebec and Ontario. These two provinces also sell 32 million CAN \$ (ca. 20 million Euro) worth of organic grains annually. Quebec's largest organic export is maple syrup, with annual sales of 7 million CAN \$ (ca. 4.3 million Euro).

13.2.2 Organic trade

Organic food is the fastest growing sector of agriculture in Canada, experiencing a growth rate of 20 percent a year. Canada imports 90 percent of the organic grocery items and 80 percent of organic produce sold in the country. Meanwhile, Canada exports 80 percent of the organic goods it produces. Wheat is Canada's most valuable single organic export, valued at 18 million CAN \$ (ca. 11 million Euro). Organic flax and soybean exports are also major exports, Macey's report showed.

According to Laura Telford of Canadian Organic Growers (COG) and Stephanie Wells, Canadian Council liaison for the Organic Trade Association (OTA), Canada's organic export market is worth at least 150 million CAN \$, with about 40 percent of exports going to Europe, 40 percent to the United States, and the remainder to Asia.

Because statistics for Canada are not readily available and vary widely, OTA and COG are working together to compile a list of Canadian organic exports for AAFC. This information will be added to the statistics the organic sector has compiled to date and will eventually include acreage, dollar amounts of each commodity and product, and the countries to which they are exported.



Picture 17: From January to April 2004, the Organic Trade Association ran 30-second TV advertisements in the Toronto, Canada, metropolitan area to promote sales of U.S. organic oranges. This image shows point of purchase signage used in the campaign. Results varied in individual stores but on average, sales of organic oranges increased 153 percent. The project was funded by the Market Access Program of the U.S. Department of Agriculture's Foreign Agriculture Service. Photo courtesy the Organic Trade Association.

The European Union has set a deadline of December 2005 for establishing a Third Country trading list for organic products. To be on this list, countries must demonstrate their compliance in standards and equivalence in oversight of certifiers. Canada at this time is not eligible because it does not yet have a harmonised regulation to enforce its organic standard.

Meanwhile, Japan and Korea have begun closing their borders to Canadian organic products due to Canada's lack of an organic regulation. In the past, these countries accepted Canadian products certified organic by certification bodies accredited under USDA's National Organic Program. However, in the latter part of 2004, they began refusing Canadian organic products. This rejection is not consistently applied, but is already creating problems for Canadian exporters.

13.2.3 Regulatory update

Although Canada has a strong organic standard, it remains voluntary and is not supported by regulation. The organic industry in Canada continues to devote its energies toward implementation of a mandatory national organic regulation.

The Organic Trade Association (OTA) and the Canadian Organic Growers (COG), as well as other industry groups, worked diligently during 2004 to spread the message that a federal regulation is needed to ensure consumer confidence in organic products sold in Canada and to keep international markets open to Canadian organic exports. The organic sector has worked co-operatively with AAFC and the Canadian Food Inspection Agency (CFIA) for the past two years on this process.

The organic sector helped prepare a Regulatory Proposal Assessment and publicised AAFC and CFIA public consultation sessions that held throughout the nation from January to April to assess the need for a federal organic regulation. The result: across the country, there was overwhelming agreement that a regulation is needed.

The proposed regulation developed by the Organic Regulatory Committee (ORC) along with AAFC and CFIA included a revised Canadian Organic Standard, a Guidance Document, and Permitted Substances List.

Canadian federal elections, the appointment of a new Minister of Agriculture, and the question of which government agency would ultimately manage the organic regulation stalled the regulatory process during the year. Finally, after Andy Mitchell had been named the new Agriculture Minister, Paddy Doherty, ORC chair, briefed him on the work to date and ask for clear direction on how a national regulation would be managed.

On October 20, Doherty learned that Joe Southall, director of commercial affairs at CFIA was to be named as the new organic specialist for both AAFC and CFIA, with the mandate to lead the process through to an organic regulation. Southall, in senior management in the CFIA and with 30 years of experience developing regulations and legislation, has indicated he is firmly in favour of a mandatory federal regulation, and believes CFIA can “accredit”, or recognise, existing accreditation held by the certification bodies working in Canada.

13.2.4 One strong voice

Meanwhile during 2004, a Canadian Organic Coalition Committee grappled with developing a proposed model for the organic sector’s voice in Canada. Prompting this was Step 7 of the National Organic Strategic Plan for Canada, calling for “a body to serve as a national co-ordination and implementation entity for the organic sector”(The entire National Strategic Plan is posted at www.organicagcentre.ca/reportfinal.pdf).

Although such a model has yet to be totally resolved, COG and OTA made moves to increase their presence and co-operation in Canada. COG during the year moved its national office from Knowlesville, New Brunswick, to Ottawa,

Ontario. OTA followed suit by establishing an “OTA Canada” office in space shared with COG. Council liaison Stephanie Wells is staffing the office for OTA.

13.2.5 References

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- 3 Stephanie Wells, liaison to the Organic Trade Association’s Canadian Council, in articles provided to the Organic Trade Association’s quarterly newsmagazine, *The Organic Report*.
- 4 USDA Foreign Agricultural Service GAIN Report CA4068, Sept. 30, 2004.
- 5 Synovate Research opinion survey press release:
www.certifiedorganic.bc.ca/WhatsNew.

Country	Date	Organic Hectares	% of Agricultural Area	Organic Farms	% of all Farms
Canada	2003	516,111	0.69	3,317	1.30
USA	2002	930,810	0.23	11,998	
SUM		1,446,921		15,315	

Table 20: Land Under Organic Management and Number of Organic Farms in North America

Source: SOEL-Survey, February 2005

Sources

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14 Achievements made and challenges ahead

*Bernward Geier*³⁶

14.1 Expansion and growth continues

The facts and figures of “The world of organic agriculture” show once again that the organic sector continues on its path of growth – from the fields to the tables, so to speak. The “fuel” of this dynamic growth is still predominantly consumer demand. But more and more, governments are not only getting engaged in setting up organic regulations, but also in developing action plans and establishing support programs. Donor organisations and foundations are another important factor contributing to these positive scenarios.

The further expansion and development of the organic movement and market also gets very important support and inspiration from countless international, national and regional conferences, congresses, seminars and fairs. In regard to the organic market development, the BioFach fairs continue to be the most important and impacting international platforms. The BioFach in Nuremberg/Germany, well established as the world leading organic fair, attracted close to 30,000 professional visitors in February 2004. For the third time, BioFach Japan was organised in October in Tokyo, while the BioFach in North America took place for the second time as “fair in the fair” integrated in the Natural Products Expo East in Washington D.C. After the successful launch of BioFach Brazil, this fair has expanded with its second conference and exhibition in September 2004 in Rio to become BioFach Latin America. The move of the “All things organic” fair from the Organic Trade Association (OTA) in North America from Austin to Chicago has given this well established event a tremendous push upwards. Increasingly, such fairs, under the broad umbrella of natural products, have established strong organic exhibition components and pavilions. Apart from the Natural Products Expos East and West in the US, the Natural and Organic Product Show in London (April) and the SANA fair in Italy (September) are the most important and dynamic meeting places of the organic industry. With its second exhibition in November, the Natural Products Show in Dubai (United Arab Emirates) has also featured a rapidly growing organic segment.

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But it's not only fairs and expos that nurture the organic growth. The International Federation of Organic Agriculture Movements (IFOAM) has been more active than ever in organising conferences itself or teaming up and supporting other conferences and congress activities. All in all, in 2004 the federation was engaged in some twenty international events all over the world. Highlighting this achievement were three international IFOAM conferences, which took place in the last year:

For the first time, IFOAM convened an international conference focusing on organic seeds and breeding. This conference, which took place in July, was co-organised with the International Seed Federation, which unites among others some 35 seed companies engaged in producing and marketing organic seeds, as well as the Food and Agriculture Organisation (FAO), which hosted the conference in Rome. The promotion and support from further organisations and institutions like OECD, Eco-PB, ISTA and EUCARPIA helped the conference to have an extended reach and brought together the diversity of the organic seed sector. Successful fundraising also enabled many of the 250 participants to come from developing countries. Stakeholders established an organic seed network, and the FAO offered a platform for the further dialogue on issues of genetic engineering in regard to the purity of organic seeds. A very interesting publication (proceedings) of the conference is available from IFOAM.

Africa was the focus of conference activities in September and October. For the third time, IFOAM organised an international conference on organic agriculture and biodiversity. Apart from the World Conservation Union (IUCN), this conference was not only co-organised, but hosted in Nairobi/Kenya by the United National Environment Program (UNEP). This new relationship was not only an important milestone for IFOAM, as this event engaged UNEP for the first time "up front" on organic agriculture. Some 260 people from 57 countries came together for three days to share experiences, case studies and knowledge about the relationship of biodiversity and organic agriculture. The workshops and discussions resulted in a set of recommendations and proposals for actions addressed to UNEP, IUCN, IFOAM and the organic movement at large. A highlight of the conference was certainly the encouraging speech of UNEP Director General Klaus Toepfer, who emphasised that organic agriculture has a lot to offer – not only when it comes to biodiversity. One important difference to the previous biodiversity conferences was the fact once again that due to available funds and because the conference venue was in Africa, the organisers were able to ensure that even a majority of the participants came from developing countries. A conference publication with all the contributions and conclusions of this event will also be published and available from IFOAM in due course.

Finally, the “third international organic coffee conference” was organised in co-operation with the Uganda Coffee Development Authority in Entebbe. After years of struggling to get this conference in Africa off the ground, it was a success to bring 100 participants from 23 countries in Uganda together. Especially for the rapidly developing organic coffee sector in Africa, this conference was of paramount importance. A CD-Rom with all presentations and the conference conclusions is available from IFOAM.

Yet, the year 2004 featured much more activities than fairs and conferences. A very important milestone was the introduction of the “Action Plan for Organic Food and Farming” of the European Union, which came so timely with the enlargement of the EU. The international interest and impact way beyond the EU of this action plan (which unfortunately does not come with any significant funds) could be seen among others by the symposium, which the German ministry of agriculture (BMVEL) and IFOAM organised in conjunction with the BioFach in Nuremberg on this issue. Among the 250 participants from all over the world, not less than 13 ministers and vice-ministers of agriculture were present, who not only participated at the symposium, but also took home the fascination and inspiration of the BioFach fair.

The activities and engagement to strive towards harmonisation of the organic guarantee systems are co-ordinated by an international task force, which is jointly organised by IFOAM, FAO and UNCTAD (United Nations Committee for Trade and Development). The task force has moved in its second year from analysing and assessing the world-wide “diversity” of the organic guarantee system to discuss and develop solution scenarios to achieve that inspection, certification and accreditation support and facilitate the growth and international expansion of the organic markets rather than hindering it.

The debate on the principles of organic agriculture, which IFOAM started and encouraged two years ago, has resulted in an intensive world-wide stakeholder consultation and concrete drafting of the principles, which seem not to change much “in nature”, but in the way they are structured and formulated.

Genetic engineering and GMOs remain a hot topic on the organic agenda. With the EU and Brazil lifting their GMO moratorium, the thread of this technology has become a serious reality in these parts of the world. Strict labelling and release regulations have made it very difficult for GMOs to spread rapidly, at least in the EU. Yet, a hotly debated issue is the fact of thresholds and purity of organic seeds, with the struggle going on to keep organic seeds GMO free (below detectable level).

Rapidly growing initiatives to define and declare GMO free zones all over the world are encouraging. It's up to the organic movement to improve communication of the fact that the millions of certified organic hectares and acres as well as the non certified organically farmed land are already GMO free zones. Interestingly, this initiative is becoming a movement on its own. It is not only driven by organic farmers, but also by many conventional farmers, who oppose GMO technology as well. While GMO acreage spreads out, it remains a fact that this technology is not only a challenge and threat, but also an opportunity to sensitize consumers all over the world for food quality and to promote organic food and products as alternative to GMOs.

14.2 Challenges and opportunities ahead

While GMOs will continue to increasingly challenge the organic movement, there are many more challenges confronting the sector.

Agriculture trade related issues will continue to dominate the World Trade Organisation (WTO), which is heading for another ministerial summit at the end of 2005. Globalisation is a reality, and as such, not automatically and necessarily negative. The challenges lie in the need to find ways and policies that significantly reduce the disadvantage of smallholding farmers and especially the people in the South. Organic agriculture has a remarkable potential to be a solution in this context – especially if organic and fair trade come together – and this needs to be brought much more into national and international debates regarding the future of agriculture and trade.

The further outreach and liaison to environmental and other movements is much more of an opportunity than a challenge. The successful partnership and participation of IFOAM in the Terra Madre event of Slow Food will certainly bear fruit in the years to come. Slow Food has for example started to plan a program to convert suitable biodiversity protection projects (so called *presidias*) to certified organic. This absolutely unique Terra Madre convention was organised in conjunction with the “Salone del Gusto” fair in October in Turino/Italy bringing together some 5000!! (slow) food activist and farmers from probably 140 countries around the world. A great share of the participants come from the organic movement.

A very successful involvement of the organic movement and IFOAM took place at the IUCN World Conservation Congress in November in Bangkok, where some 4000 people came together. Among many other activities, IFOAM was engaged in two GMO motions at the IUCN General Assembly, of which one led to moratorium decision by the IUCN constituency, which includes also quite a number of ministries and governmental institutions.

The cooperation with UN organisations like the FAO and UNCTAD were significantly strengthened. It will likely be a bit more of a challenge than just an opportunity to get also UNEP more engaged in organic agriculture. To learn more about the many organic activities of FAO, a visit of their webpage (<http://www.fao.org/organicag/>) is highly recommended.

For years to come, a challenge will certainly be to get the organic plan of the EU “in action”. It is hoped that the stimulation of this plan will not only lead to more national organic plans, but also to allocate necessary financial support to keep the movement growing by speeding up the expansion of organic farming and the increase in consumer demand.

If the organic movement, especially in countries in the South, also continues its increasing efforts to develop local and regional markets, this will generate a lot of opportunities. There are more and more interesting lessons to be learned, for example, from marketing initiatives in Egypt or Brazil.

The 15th IFOAM Organic World Congress in Adelaide/Australia this year will offer an extraordinary wealth of learning, networking and opportunities for cooperation. Taking place from 20th until 27th of September, this event will be the organic highlight of the year.

For the first time, changing from a biannual to a three year interval, the congress program will feature pre and post congress tours, an international exhibition, an organic fair and festival, as well as the 8th international IFOAM conference on organic viticulture. A central element of the congress will be the international scientific conference, which organised in co-operation with the International Society of Organic Agriculture Research (ISOFAR) for the first time. With all the momentum, inspiration and energy of the congress, the affiliates of IFOAM present in Adelaide will come together for the IFOAM General Assembly, which will feature the final discussion and approval of the “new” principles of organic agriculture during an intense three day agenda. For more information about the congress: www.nasaa.com.au/ifoam2005 or contact the IFOAM Head Office.

This short look ahead to what’s coming up in 2005 shows that the ultimate challenge for the organic movement continues to be to grasp the many opportunities and make the best out of it. Without a doubt, the organic market and trade sector will continue to be a growing and “healthy” business. The further statistically proven growth of organic agriculture and the ever increasing demand for organic products will be more and more recognised as a significant contribution for a healthy planet. In other words, being active in the organic movement allows us to continue to be “predominantly optimistic”.

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FiBL-Publications from European Organic Farming Research Projects

Development of a European Information System for Organic Markets - Improving the Scope and Quality of Statistical Data. Proceedings of the 1st EISfOM European Seminar held in Berlin, Germany, 26-27 April, 2004

Edited by Guido Recke, Helga Willer, Nicolas Lampkin and Alison Vaughan (Editors). FiBL, Frick, Switzerland, 2004, 254 Pages, order no. 1339, ISBN 3-906081-53-2. 30 CHF, 20 EUR

The proceedings of the first European Conference about data collection in organic farming include more than 50 papers, covering aspects organic farming statistics (farm structures and production; farm incomes and prices; the supply chain and trade; retailers and consumers: supply balances and policy evaluation). The conference was organised by the the project European Information System for Organic Markets (www.eisfom.org).

Current Evaluation Procedures for Plant Protection Products Used in Organic Agriculture. Proceedings of a workshop held September 25 - 26, 2003 in Frick, Switzerland

Edited by Speiser, Bernhard and Otto Schmid. Research Institute of Organic Agriculture FiBL, Frick, Switzerland 2004, 101 Pages, order no. 1341, ISBN 3-906081-55-9. 22 CHF, 15 Euro.

The articles in this volume describe the evaluation procedures for plant protection products used in organic agriculture. They summarise the situation in various (mainly European) countries and the evaluation procedures and criteria for international institutions. This volume of proceedings was produced as part of the European Project Organic Inputs Evaluation. Project information is available at www.organicinputs.org.

Assessment of the Socio-Economic Impact of Late Blight and State of the Art of Management in European Organic Potato production Systems

By Tamm, L.; Smit, A.B.; Hospers, M. and Janssens, S.R.M.; Buurma, J.S.; Mølgaard, J.P.; Lærke, P.E.; Hansen, H.H.; Bødker, L.; Bertrand, C.; Lambion, J.; Finckh, M.R.; Schueler, C.; Lammerts van Bueren, E.; Ruissen, T.; Solberg, S.; Speiser, B.; Wolfe, M.; Phillips, S.; Wilcoxon S.J. & Leifert, C. Research Institute of Organic Agriculture FiBL, Frick, Switzerland, 2004, order no. 1340, ISBN 3-906081-54-0

In Europe, late blight, caused by *Phytophthora infestans*, is the most devastating disease affecting organic (and conventional) potato production. The extent of economic damage varies between European regions. Copper has been the single most important control agent in organic late blight control. Therefore, the reduction or an eventual phasing out of copper use will have varying impacts in different regions. This report presents the results of a detailed survey conducted in 7 European countries as part of the European funded project Blight-Mop.

Underlying Principles in Organic and “Low-Input Food” Processing – Literature Survey

Edited by Otto Schmid, Alexander Beck and Ursula Kretzschmar. Research Institute of Organic Agriculture FiBL, Frick, Switzerland, 2004, ISBN 3-906081-58-3

This literature review about processing of organic and low-input food describes the underlying principles, the regulatory framework, problem areas as well as consumer expectations and concepts of food processing companies. The study was conducted within the EU funded Integrated Project Quality Low Input Food (www.qlif.org)

A Guide to Successful Organic Marketing Initiatives

By Otto Schmid, Ulrich Hamm, Toralf Richter, Andrea Dahlke. FiBL, Frick, OMIaRD Publication, Volume 6, 2004, 210 Pages, Order no. 1338, ISBN 0-9543279-5-5. 30.00 CHF, 20.00 EUR

The handbook provides information, based on the business and marketing ideas developed in the EU research project OMIaRD. It provides useful advice on the market and policy issues to take into account, and on preparing to establish a new business with farmer participation, managing the start-up phase, and on into consolidation of a mature enterprise. It will be useful for organic farmers, enterprise managers, and practitioners in rural and regional development. Further publications from the project can be ordered via the OMIARD-Homepage at <http://www.irs.aber.ac.uk/omiard/>

The publications may be ordered via the FiBL shop at shop.fibl.org or directly from the Research Institute of Organic Agriculture FiBL, Ackerstrasse, CH-5070 Frick, Tel. +41 62 8657 272, Fax +41 62 8657 273, E-mail info.suisse@fibl.org; Internet www.fibl.org

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Organic and Like-minded Movements in Africa, Reprint 2004, 130 Pages, €8

Mainstreaming Organic Trade: New Frontiers, Opportunities and Responsibilities, Proceedings of the 7th IFOAM International Conference on Trade, Bangkok, 2003, 92 Pages, €18

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