

Organic agriculture worldwide

Still on the rise in 2004

Organic agriculture has developed rapidly worldwide during the last few years and is now practised in almost all countries of the world. Its share of agricultural land and farms continues to grow. The sixth edition of an annual study that collects worldwide statistics has just been published. Minou Yussefi, Helga Willer and Bernward Geier report on its findings.

The Foundation Ecology & Agriculture (known as SOEL) has collected data about organic farming worldwide every year since 1999 and the newest figures are regularly presented at BioFach. Since the publication of the 2003 results the Research Institute of Organic Agriculture (known as FiBL) and IFOAM have collaborated in the project. According to this survey, certified organic farming is practised in approximately a hundred countries of the world. Furthermore, it can reasonably be assumed that uncertified organic farming is practised in even more countries.

More than 24 million hectares are cur-

rently managed organically worldwide. 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. Currently, the countries with the greatest organic areas are Australia (10 million hectares), Argentina (almost 3 million hectares) and Italy (almost 1.2 million hectares), see table below. In total, Oceania holds 42% of the world's organic land, followed by Latin America (24%) and Europe (23%). As most of the organic land area in Australia and Argentina is extensive grazing land, the global area dedicated to organic arable cropping is probably less than half. The proportion of organically compared to conventionally-managed land, however, is highest in Europe. In addition, Europe has the greatest total number of organic farms (see table).

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. This sixth edition of the study includes figures for the area of certified 'wild harvested plants', which adds at least another 10.7 million hectares, according to various certification bodies.

The global market for organic food and drink was valued at US\$23 billion in 2002. Although production of organic crops is increasing across the globe, sales are concentrated in the industrialised parts of the world. North America and Western Europe comprise the bulk of global revenues, though consumer interest is growing in other regions.

Organic agriculture in the different continents

Oceania

This area includes Australia and New Zealand as well as smaller countries like Fiji, Papua New Guinea, Tonga and Vanuatu. Altogether, more than 10 million hectares and 2,000 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 types 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 account for over 70% 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 bio-dynamic 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 market place and widespread use of the term for uncertified products creates consumer confusion. In New Zealand a National Organic Standard was launched on 4 November 2003, underpinning the various certification schemes that already exist. New Zealand is also on the EU-third country list.

While trends of rising consumer demand for organic products are becoming discernible, the organic food market in Australia is still considered a niche market with organics accounting for only 0.2% of food retail sales nationally. On the domestic market, organic produce receives a substantial price premium over

The ten countries with the largest land area¹ under organic management

Australia	10,000,000 ha
Argentina	2,960,000 ha
Italy	1,168,000 ha
USA	950,000 ha
Brazil	842,000 ha
Uruguay	760,000 ha
UK	724,500 ha
Germany	697,000 ha
Spain	665,000 ha
France	509,000 ha

Area under organic management (a) and number of farms (b) as a percentage (%) of the worldwide total

	a	b
North America	5.9	2.3
Asia	3.7	13.3
Africa	1.3	5.4
Oceania	41.8	0.5
Latin America	24.2	30.9
Europe	23.1	37.7

¹ Figures given to the nearest 500 ha
Source: SOEL-Survey, February 2004

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 America 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 5.8 million hectares, with an additional 10,642,750 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 3 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 either direct subsidies or economic aid for organic production. Costa Rica and some others have official funding for research and education, 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 Neth-

erlands and Switzerland.

Export is still the main organic activity in Latin America. From the coffee beans 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. According to FiBL, by the end of 2002, around 4.8 million hectares were managed organically by almost 140,000 farms in the 15 countries of the European Union (EU). This constituted 3.5% of the agricultural area and 2% of the farms in the EU. If the accession and EFTA countries are included, the number of farms was around 154,000 and the land under organic management almost 5.5 million hectares. Compared to the previous year, this is an increase of 9%, mainly due to a strong growth in France, Spain and the UK. The number of farms went down, however, mainly due to a decrease in Italy.

There are also substantial differences between individual countries. More than 11% of agricultural land is organic in Austria, and 10% in Switzerland. Some countries have yet to reach 1%. The country with the highest number of farms and the greatest number of hectares is Italy. One quarter of the EU's organic land and more than one third of its organic farms are located there.

The Western European market for organic food and drink was the largest in the world, however it has now been overtaken by North America. European sales of organic products are estimated to have expanded by about 8% in 2002 to reach US\$10.5 billion. The market has enjoyed rapid expansion since the mid 1990s and is now reporting slowing growth rates as certain sectors approach maturity.

At the Conference 'Organic Food and Farming – Towards Partnership and Action' in Denmark 2001, agriculture ministers from 12 European countries called for a European action plan for the development of organic farming and food. Currently, the action plan is being developed further; in December 2002 a working document entitled 'Analysis of the possibility of a European Action Plan for organic food and farming' was prepared. The paper analysed the state of play of



© FiBL, Bonn, GERMANY. PHOTO: TH. STEPHAN

the development of organic farming in Europe and listed possible actions to be included in the final Action Plan. In February 2003, the working document and a questionnaire with 12 key points were put on the EU Commission's website. The public was invited to react to the questions and to give additional comments on the working paper by 16 March 2003. A 'Report on the results of the online consultation: Action Plan for organic food and farming' has been published. According to the European Commission there had never been a consultation with so much feedback as this one. A hearing took place on 22 January 2004, attended by more than a hundred organisations, Agricultural Ministers from Member States, Acceding and Candidate Countries and farmer magazines were invited to participate. By early 2004, the Commission will prepare the final Action Plan in the form of a Communication to the Council and the European Parliament. The Plan will propose actions to facilitate the development of organic farming.

For more information see the website: http://europa.eu.int/comm/agriculture/qual/organic/plan/index_en.htm

North America

In North America almost 1.5 million hectares are managed organically, representing approximately a 0.3% share of the total agricultural area. Currently, the number of organic farms is more than 10,500. With the US national rule in place, the organic sector has been able to provide a guarantee to consumers that organic products displaying the new label were produced under specific practices. The US market has seen more and more organic



© FiBL, PHOTO: S. GARIBAY

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. In January 2003, industry players met with representatives of Agriculture & Agri-Foods Canada and agreed on the need for a mandatory regulation to help expedite trade relations with such major trading partners as the United States, European Union, and Japan. In conjunction with this, efforts are under way to use the current Canada Organic Standard as a guidance document to help produce revised standards, which are less detailed in scope and that can implement a regulation.

The North American market for organic products is reporting the highest growth worldwide. Organic food and drink sales were estimated to have expanded by 12% to US\$11.75 billion in 2002. 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 it is increasing rapidly. Among the more significant countries producing organic products are China, India and Indonesia as well as Israel. For many countries no precise figures are available, but Israel has almost reached 1%. The total organic area in Asia is now about 880,000 hectares, managed by 61,000 farms. Additionally, 35,000 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. Only Israel has attained equivalency status with the regulation of the EU. China, India, the Philippines, Thailand and Malaysia are also working on organic legislation.

The Japanese market for organic food and drink is the most important in the Asian region. Sales of organic food and drink were estimated at about US\$50 million in 2002. Emergent domestic markets in China, Malaysia, Philippines, Singapore and Thailand are maintaining growth trends. Domestic price premiums range

from 10% to 400%, according to market location, quality and products. The range of marketing channels is diverse, as are market conditions from rural India to Tokyo, including *ad hoc* organic bazaars, small retail shops, supermarkets, 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, but this year more figures than in previous years were obtained. Organic farming is increasing in Africa, especially in the southern countries, notably South Africa. An important growth factor in Africa is the demand for organic products in the industrialised countries. Another motivation is the maintenance and building of soil fertility on land threatened by degradation and erosion. More than 320,000 hectares and 71,000 farms are now managed and certified organic. Additionally, 23,300 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



© FAO/16807/W. Orlina

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. ■

Minou Youssefi, SOEL
email: youssefi@soel.de

Helga Willer, FiBL
email: helga.willer@fibl.org

Bernward Geier, IFOAM
email: b.geier@ifoam.org

The following authors contributed to the study: Amarjit Sahota (Global Market), Lukas Kilcher, Beate Huber, Otto Schmid (Regulation/Certification), Darren Halpin, Martin Brueckner, Seager Mason (Australia/Oceania), Nicholas Parrot & Fred Kalibwani (Africa), Ong Kung Wai (Asia), Helga Willer & Toralf Richter (Europe), Pipo Lernoud (Latin America), Barbara Haumann (North America).

Further information for graphs, list of links and continent reports for organic agriculture worldwide at www.soel.de/oekolandbau/weltweit.html; organic farming in Europe at www.organic-europe.net

This article reported on the findings published in *The World of Organic Agriculture 2004 – Statistics and Emerging Trends*. See page 45 for more details.

Challenges for the organic sector

In many countries, especially those where organic farming is only beginning to emerge, the lack of credibility of organic products needs to be tackled. Unfortunately some cases of deception have led to uncertainty among consumers. The organic movement faces the challenge of preventing these harmful occurrences.

At the international level, the harmonisation of organic standards and certification is important in facilitating international trade in organic products. The IFOAM accreditation programme has already achieved a great deal in this respect. A first significant step towards harmonisation was made with the Harmonisation Conference at the BioFach fair in 2002. With the support of *Codex Alimentarius* the private sectors' efforts towards harmonisation may be backed up by more organic regulations in many countries.

Organic standards do not yet deal with the issue of regional marketing or seasonality of the produce. Long distant transport has to be considered critically in respect of the efficient and ecological treatment of energy resources. Even if the marketing of organic products through supermarkets seems to be the future way for many countries, it is more important than ever that the local and regional supply of healthy food is increased and guaranteed. There is still scope for trade, as northern countries cannot grow tropical crops like coffee and bananas. Fair trade and social relationships are a basis and an important link between worldwide food security and the future further development of organic agriculture and food culture.