Country Report Organic 2022

CROATIA

Report on the Status of Organic Agriculture and Industry in Croatia

Gefördert durch

Bundesministerium für Ernährung und Landwirtschaft

BÖL
BUNDESPROGRAMM ÖKOLOGISCHER LANDBAU

aufgrund eines Beschlusses des Deutschen Bundestages

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Disclaimer

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Content

Croatia: Facts and Figures

Map

Figure 1: Map of Croatia

General Country Information

56,594 km²
Territory (land area)

3,871,833 million
Population

12,410 Euro
GDP per capita (2020)[1]

2.34 %
Share of gross value added of agriculture in GDP

1,438,423[2]
Number of households

8.9 %
Average unemployment rate (2020)

2.5 %
Share of employees in agriculture in total number of employees (2020)

Croatian kuna (HRK)
Currency (until December 31st 2022, Euro after January 1st 2023)

1,506,205 hectares
Utilized agricultural area (2020)

32,154 hectares
Agricultural area under conversion to organic (2021)

121,924 hectares
Total area under organic production including in conversion (2021)

7.21 %
Share of area under organic production in utilized agricultural area (2020)

6.7 hectares
Average area of agricultural land per farm (2020)

170,837
Number of agricultural producers (2020)

2.34 %
Share of agriculture in GDP (2020)

1.23 %
Share of the population employed in agriculture in relation to total employment (2020)

6,402
Number of organic agricultural entities (2021)

1 Last available data
2 Last available data, Census 2021, preliminary results

State and Development of Agricultural Production

Croatia is self-sufficient in the production of cereals and oilseed crops while the production of other agricultural products does not meet the needs of domestic consumption. The most important agri-food export products in 2020 were corn, soybeans, cigarettes and wheat, and in imports pork, animal feed, bakery products and cattle for fattening.

Soil, Climate and Infrastructure

According to Rural Development Programme of the Republic of Croatia for the Period 2014–2020, loss of soil and soil fertility due to erosion in Croatia is significantly higher than the EU average, and 23,23 % of agricultural land is at high risk of soil erosion. Agricultural land in Croatia contains less than 2 % hummus and thus belongs to the class of low hummus soils. This is the consequence of the decades of intense agricultural production characterised by a long-term use of synthetic and mineral fertilizers and pesticides, removal of topsoil, failure to provide a vegetation cover and using the manure as a method of returning the organic matter into the soil.

As stated in the Agricultural Development Strategy until 2030, Croatian agricultural sector faces the deterioration of water supply infrastructure and limited access to irrigation water and water pollution problems. Although climatic conditions favour the diversity of agricultural production, they are significantly vulnerable to climate changes such as reduced rainfall in all seasons except winter, rising of the average temperature and the likelihood of adverse climatic events, especially increased frequency and intensity of droughts and floods.

Climate in Croatia is highly influenced by two seas on the one hand, the Adriatic and the Mediterranean, and mountain ranges on the other hand, the Dinarides. North-eastern parts of Croatia have one other climatic influence, as they are openly positioned towards the Pannonian plain and air flows coming from the east. Climate in Croatia can be divided into three most dominant climate types – continental, mountain and maritime climate.

Continental climate is predominant in continental Croatia (east and north-west part of Croatia) and it is characterized by a temperate warm humid climate with cold winters and warm summers. Precipitation is quite evenly distributed throughout the year.

Mountain climate is dominant in areas over 1160 m above sea level, i.e., in higher altitudes and it is characterized by lower temperatures and longer-lasting snow cover.

Maritime climate is found in coastal Croatia (the Adriatic coast and the islands) and is characterized by a temperate warm humid and Mediterranean climate with warm and dry summers and mild and rainy winters.

Alongside with diverse climate and different biogeographic regions, Croatia is among one of the richest countries in Europe considering biodiversity. There are 408 nationally protected areas in Croatia with

total terrestrial area coverage of 13,44 % and marine area coverage of 1,93 %. As for ecological network Natura 2000 sites the total area coverage is 36,67 % for terrestrial parts and 16,26 % for marine parts.

Agricultural Production

The value of agricultural production, as stated in the Yearly report on the state of agriculture in 2020, is dominated by crop production, which, expressed at basic prices, accounts for 59.2 %, while livestock accounts for 34.4 %, service activities in agriculture 3.9 % and secondary activities 2.5 % of the agricultural production. Observed by products, the value of agricultural production in Croatia is dominated by cereals, cattle, fodder crops, pigs, oilseed crops, milk, wine, vegetables, herbs and flowers, which together account for 75 %.

Croatia is self-sufficient in the production of cereals and oilseed crops while the production of other agricultural products (fruits and vegetables, sugar beet, milk, beef, pork, poultry, eggs) does not meet the needs of domestic consumption. The coverage of imports by exports of agri-food products in 2020 amounted to 73.2 %. The most important agri-food export products in 2020 were corn, soybeans, cigarettes and wheat, and in imports pork, animal feed, bakery products and cattle for fattening.

Economic Indicators

According to the data published in Agricultural Development Strategy until 2030, from 2008 to 2017, gross value of agricultural production fell by an average of 3.7 % each year, while gross added value of the agricultural sector fell by an average of 4.3 % each year. Since 2018, the agricultural activity has been recovering and in 2020 the gross value of agricultural production was estimated to grow by 7 % and gross added value by 12.4 %.

The data in the Yearly report on the state of agriculture in 2020 showed that large majority of the agricultural production holdings in Croatia were family farms where work was performed mainly by family members, i.e., unpaid labour force, which in the structure of invested labour in 2020 accounted for 91.3 %.

In 2020 the total value of foreign trade in goods and services amounted to 37.8 billion euro and resulted in a deficit of 8.0 billion euro (total value of export trade being 14.9 billion euro, and that of import trade of 22.9 billion euro). Agri-food products accounted for 15 % of the value of total foreign trade and constituted 16.1 % of the value of export, and 14.3 % of the value of import.

According to the Croatian Bureau of Statistics, in 2020, the value of imported agricultural and food products was 3,279.7 million euro, while the value of exported was 2,401.2 million euro, which resulted in a deficit of 878.5 million euro.

Import and Export

In 2020, 78.9 % of the total value of Croatian agri-food products trade was made with the member states of the EU (UK included) and this exchange resulted in 1,232.3 million euro of deficit, while the surplus of 300.8 million euro was achieved in the exchange with the CEFTA members – this exchange being 14.3 % of the total value of agri-food trade products. The largest deficit was realized in the exchange of meat (EUR 269.6 million), dairy products, eggs, honey (EUR 173 million), residues and waste from the food industries (EUR 163.8 million) and fruit and nuts (EUR 162.9 million).

Top 5 export agri-food markets (2020)

	Country	Value of export in million EUR	% in total export of agri-food products
1	Italy	466,9	19.4
2	Slovenia	342,6	14.3
3	Bosnia and Hercegovina	265,6	11.1
4	Germany	180,8	7.5
5	Serbia	144	6

Figure 2

Top 5 import agri-food markets (2020)

	Country	Value of import in million EUR	% in total import of agri-food products
1	Germany	500	15.2
2	Italy	346,6	10.6
3	Hungary	325	9.9
4	Slovenia	320,7	9.8
5	Netherlands	270,7	8.3

Figure 3

Agricultural Producers and Land Use

In 2021, compared to 2020, there was a decline in the total number of agricultural holdings, and a parallel slight increase in the number of farm holders under the age of 41, as well as a decline in the number of farm holders over the age of 65. From the available statistics it is not possible to determine with certainty, but it seems rational to assume that this could be the result of the retirement of older farmers. In absolute numbers, there is an increase in trading companies and craft businesses in the total number of farmers, while an increase in the number of cooperatives is present, but still small.

According to the data from the Registry of Agricultural Holdings kept by the Paying Agency for Agriculture, Fisheries and Rural Development, on December 31st, 2021 a total of 170,059 farmers were registered, which is 778 less than in 2020 and represents a decrease of 0.46 %. In the total number of farmers, the largest share is represented by family farms, which at the end of 2021 were 140,874 or 82.8 %. Compared to 2020, the number of family farms decreased by 13,805 or almost 9 %, but the number of self-providing agricultural holdings (smaller family farms)[3] increased – in 2021 there were 12,656 more of them than in 2020, or a total of 22,906.

Figure 4: Agricultural cooperative **Olive and wine** in Polača, Zadar county

Holders of agricultural holdings in Croatia are mostly elderly people. In 2021, 63,032 (37 %) agricultural holdings had holders over the age of 65. At the same time, only 24,111 (14.18 %) of them were under the age of 41.

Only 0.23 % of registered producers are organized into cooperatives and although the low level of association in cooperatives is recognized in strategic documents as an obstacle to the development of agricultural competitiveness, the interest of farmers is low, which is explained by historical reasons, i.e., the negative perception and collective memory of cooperatives as a tool of the socialist collectivization.

Farms by the type of ownership (2021 | %)

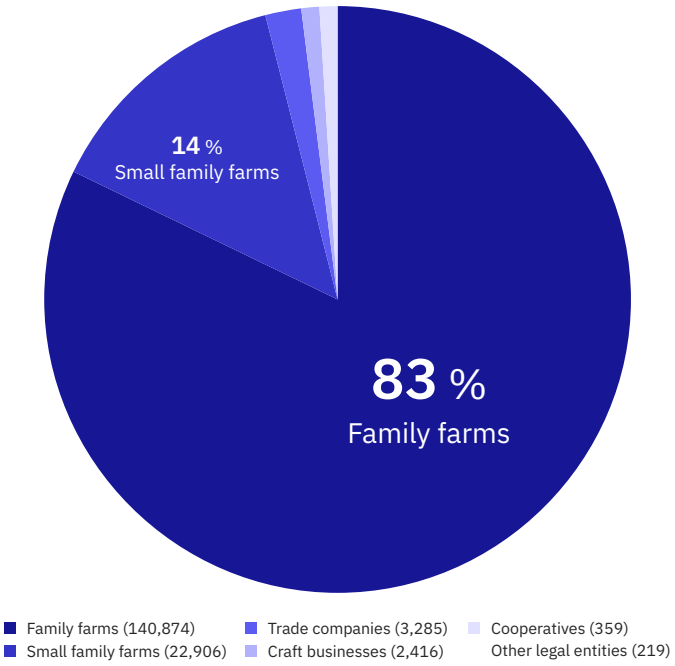


Figure 5

Productivity and Competitiveness

Agricultural Development Strategy until 2030, adopted in 2022, acknowledges low productivity, poor record keeping, poor business planning and management, insufficient insurance and poor connection with the value chain as the most pressing problem for the agricultural sector. All of them are affecting the access to capital and resulting in the lack of investment, as the commercial credit institutions perceive agriculture as the high-risk and poorly profitable investments. One of the major obstacles for increasing the general competitiveness and productivity of the Croatian agriculture in general is due

3 The decrease in the number of family farms and the increase in the number of self-providing agricultural holdings is the result of the adjustment to the new legislation according to which registered family farms are classified according to economic size; if their economic size exceeds 3,000 euro, they retain the status of a family farm, and if their economic size is less than or equal to 3,000 euro, they are considered a self-providing agricultural holdings. According to the Agriculture Act (Official Gazette No.118 / 18, 42 / 20, 127 / 20, 52 / 21), a self-providing agricultural holdings may sell only its own unprocessed products.

to the fact that 70 % of the agricultural producers are small farmers, cultivating less than 5 hectares per farm, characterised by the “fragmented production focused on low value products and predominantly participation in short value chains” and resulting in the “uneven quality products and higher operating costs which further weaken their negotiating position in relation to the manufacturing industry which is very concentrated (1.26 % of companies generate 62 % of total revenues)”.

According to the Competitiveness Index, Croatia belongs to the group of competing countries in the production of corn, sugar beet, sunflower, soybeans, raspberries, cherries, hazelnuts, peppers and live animals, but since none of these products are classified as highly competitive, low competitiveness contributes to the sector's sensitivity to fluctuations and the downward trend in prices, which weakens the position of small farmers and directs production towards large farms.

It is estimated that only 30 to 40 % of Croatian companies use external logistics services (contracting, production planning, sorting and grading, packaging, refrigeration chambers, warehouse management, primary processing, marking, sales and order status monitoring, transport, collection) while the EU average is 70 %, and this results in the difficult access to the market for small producers of fresh products.

Average use of agricultural land per type of farmers
(2020 | hectares)

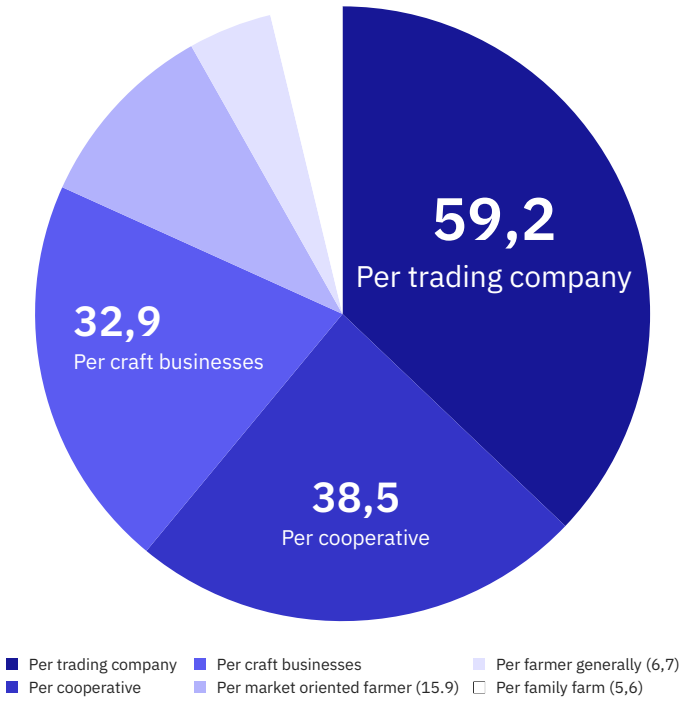


Figure 6

Structure of Land Users

The agricultural land market is underdeveloped due to the institutional fragmentation, complex stakeholder relations, lack of data in spatial planning procedures and ownership constraints, with a significant share of state-owned agricultural land. State-owned agricultural land allocation is characterized by lengthy administrative procedure mainly due to the inconsistencies between cadastre and land registry data. According to **Yearly report on the state of agriculture in 2020**, agricultural producers use a total of 1,150,327.5 hectares of agricultural land, or an average of 6.7 hectares, while market-oriented farmers, according to a survey conducted within the Farm Accountancy Data Network (FADN), used an average of 15.9 hectares of agricultural land, achieving an average economic size of 24,100 euro, which is less than half the average net value added of the market-oriented farmer in the European Union.

The largest farms are owned by the trading companies that in 2020 used an average of 59.2 hectares of agricultural land, while cooperatives used an average of 38.5 hectares per cooperative. Craft businesses used an average of 32.9 hectares and family farms 5.6 hectares per farm. Fragmentation of agricultural land dominates the agricultural productions as the 56,1 % of agricultural land in 2020 is privately owned by the producers themselves.

On June 30, 2023, the restriction on the sale of agricultural land to citizens and legal entities of the EU member states and states which are a party to the European Economic Area Agreement (EEAA) will expire.[4] Croatia was granted this transitional period concerning the acquisition of agricultural land to safeguard the socioeconomic conditions for agricultural activities following the introduction of the single market and the transition to the common agricultural policy since the agricultural land prices in Croatia were, and still are, among the lowest in the EU. According to the data published by the Agency for Agricultural Land Traffic, in 2019 the average price of agricultural land in Croatia per hectare was € 3,325 for arable land, € 1,832 for meadows, and € 1,791 for pastures. The price for the arable land in the continental part of Croatia was about 3 % lower than the average, while for the Adriatic part of Croatia it was twice as high as the average.

4 Commission decision (EU) 2020 / 787 of 16 June 2020

The Organic Sector in Croatia

In 2020 Croatian agri-food products trade with the EU Member States resulted in a deficit, especially in meat, dairy products, eggs, honey and fruit and nuts. This could be seen as an opportunity for German companies to enter the Croatian market. Some of our interviewed organic producers stated that they have a problem with selling fresh products as their “expiry date” is short. Some of these products are then mostly sent for processing, but “raw material” and fresh product are left unsold.

History of Organic Farming

Last two decades have witnessed a significant increase in organic production in Croatia. Still, the goal set in 2011 – to reach the share of 8 % of land under organic farming in total agricultural areas, was not yet accomplished even in 2020.[5]

In 2000 only 17 farms using 12.5 hectares were certified as organic by the internationally recognized organizations and a year later – in 2001, the year when the first law on organic farming was adopted, the number of organic farms in Croatia was 25, whilst the utilised agricultural area for organic farming was 100 hectares (Gugić / Grgić / Dorbić / Šuste / Džepina / Zrakić, 2017: 22). The official monitoring of the number of organic producers began in 2002, when two of them were officially registered and in 2003, when recording of statistical data begun, 130 organic farmers were registered and they used 3,124.06 hectares or 0.37 % of agricultural land. Ten years later these numbers increased to 1.609 farmers using 40,660 hectares or 2,59 % of utilized agricultural land.

Croatia's accession to the EU had further positive effect on the increase in the number of organic producers and land under organic production. Since 2013, when Croatia joined the EU, the number of organic producers increased by 3.5 times – from 1.789 in 2013 to 6.402 in 2021 while the number of hectares under organic production, including the production in transitional period, tripled from 40.660 in 2013 to 121.924 in 2021. The goal set in the Agricultural Development Strategy until 2030 is to increase the number of hectares under the organic agriculture production by 2030 for which the support is disbursed to 140,000 hectares. According to Yearly report on the state of agriculture in 2020, the total recorded area under organic production in 2020 was 7.2 % of the total used agricultural area while in 2013, land under organic production accounted for only 2.6 % of the total utilized agricultural area.

5 This goal was set in the Action Plan for Development of Organic Agriculture in the Republic of Croatia for the period from 2011 to 2016 that was adopted in 2011

Structure of land use in organic production, including in transition (2021 | ha | %)

Use of land	Hectares	Share in the total aera under organic production, %
arable land and gardens	51,270	42.05
permanent grassland	53,942	44.24
permanent crops	16,712	13.71

Figure 7

Agricultural land under organic production by counties and categories in hectares (2021 | ha)

	County	Arable land, gardens	Perma-nent grassland	Perma-nent crops	Total
1	Zagreb County	1.301	204	614	2.119
2	Krapina-Zagorje County	48	73	112	233
3	Sisak-Moslavina County	3.680	4.647	1.321	9.648
4	Karlovac County	1.302	1.345	1.520	4.167
5	Varaždin County	287	88	229	604
6	Koprivnica-Križevci County	315	39	337	691
7	Bjelovar-Bilogora County	2.514	1.760	1.935	6.209
8	Primorje-Gorski Kotar County	268	4.772	60	5.100
9	Lika-Senj County	2.002	19.715	98	21.815
10	Virovitica-Podra-vina County	8.899	641	755	10.295
11	Požega-Slavonia County	1.809	823	1.042	3.674
12	Brod-Posavina County	4.945	787	1.480	7.212
13	Zadar County	553	8.186	1.203	9.942
14	Osijek-Baranja County	16.629	1.372	2.654	20.655
15	Šibenik-Knin County	587	4.581	536	5.704
16	Vukovar-Srijem County	3.881	319	693	4.893
17	Split-Dalmatia County	57	3.197	720	3.974
18	Istra County	806	511	832	2.149
19	Dubrovnik-Neretva County	13	811	317	1.141
20	Međimurje County	1.210	12	180	1.402
21	The City of Zagreb	164	59	74	297

Figure 8

According to the Croatian Chamber of Commerce, the annual value of the Croatian market for organic products is about 99 million euro, or an average of about 23.6 euro per capita, and the share of consumption of organic products in total consumption is 2.2 %.

According to the data available at Croatian Bureau of Statistics, organic production is dominated by the production of green fodder which represents almost half of the production of the arable land in tons (46.88 %) and cereals which account for more than a third (37.24 %) of the production, while oilseed crops contribute with 12.91 %. Fresh vegetables account for only 0.71 % in the organic production.

Organic production of permanent crops is dominated by the production of grapes contributing with 40.20 % of the production in tonnes, while the production of apples accounts for 22.72 % and olives for 12.66 %. In the organic husbandry, the most important thing is breeding sheep and cattle. Organic meat production is dominated by the production of beef and veal meat. Organic eggs production shows progressive increase since 2018.

The number of processors of organic producers has almost tripled since 2013, when 143 processors were registered, but the number is still small – 343 producers in 2021.

Organic production of arable land (2021 | %)

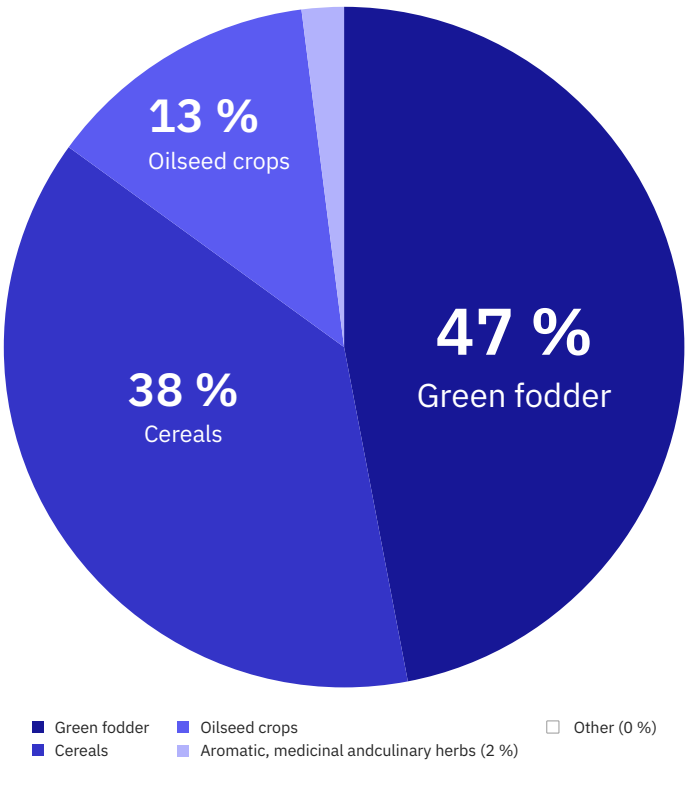


Figure 9

Organic production of permanent crops(2021 | %)

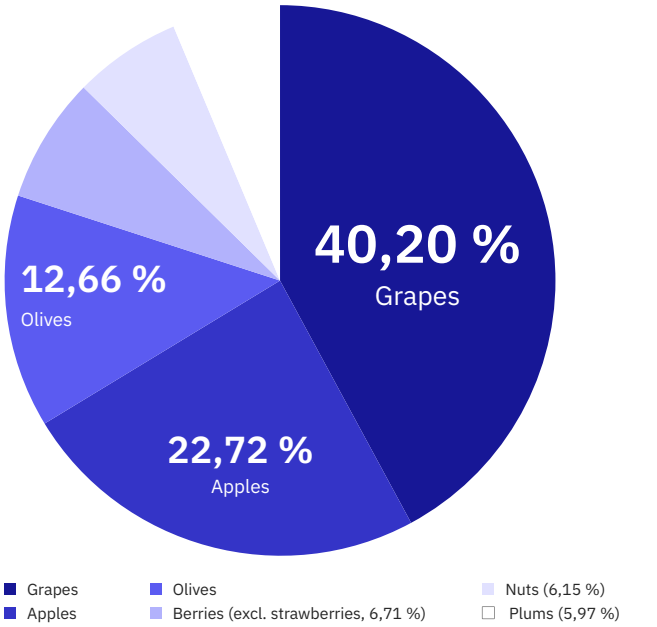


Figure 10

Organic production of permanent crops (2021 | tonnes)

Apples	2.085
Pears	190
Peaches	20
Nectarines	4
Plums	548
Berries (excluding strawberries)	616
Nuts	564
Other fruits	215
Fruit, total	**4.242**
Citruses	84
Grapes	3.690
Olives	1162
Total	**9.178**

Figure 12

Organic production of arable land (2021 | tonnes)

Soft wheat and spelt	32.028	Cereals total 60.869
Durum wheat	275	
Rye	614	
Barley	5.490	
Oats	2.980	
Corn, dry grain	19.482	
Legumes, dry grain	109	
Potatoes (including seed potatoes)	218	
Other root crops (including sweet potatoes, fodder kale, fodder beet, fodder parsnip, etc.)	2	
Rapeseed	4.932	Oilseed Crops total 21.100
Sunflower	10.786	
Soybean	5.382	
Aromatic, medicinal and culinary herbs	3.374	
Green fodder	76.616	
Leafy and stalked vegetables (excluding cabbages)	116	Fresh vegetables total 1153
Fruit-bearing vegetables (including melons and watermelons)	513	
Root, tuber and bulbous vegetables	428	
Fresh legumes	62	
Strawberries	34	
TOTAL	163.441	

Figure 11

Organic livestock by species (2021 | number)

Cattle	31.076
Pigs	468
Sheep	76.308
Goats	5.484
Poultry	10.578
Ungulates	4.004
Bee communities	2.127

Figure 13

Organic products of animal origin (2021 | tonnes)

Beef, veal meat	2.153
Pork	12
Mutton	730
Goat meat	18
Cow's milk	754,2
Cheese	26

Figure 14

Number of organic eggs for consumption (2018–2021)

2018	2019	2020	2021
183.000	334.210	615.340	1.501.800

Figure 15

Number of processors of organic products (2021)

Processing and canning of meat and meat products	–
Processing and canning of fruits and vegetables	38
Production of vegetable and animal oils and fats	83
Production of dairy products	6
Production of grain mill and starch products	17
Production of bakery products and pasta	11
Other food products	86
Beverages	102
Total	**343**

Figure 16

As stated in the **National Action Plan for the Development of Organic Agriculture 2023–2030**, despite the potential for organic fish and seafood farming, organic aquaculture has not yet taken roots in Croatia to the extent of animal husbandry or crop production. As of August 2021, only 12 entities are engaged in organic aquaculture, most of them in continental parts, which indicates organic farming of freshwater fish.

Import opportunities for German Companies

Germany is the second largest organic food market in the world (**Foreign Agricultural Service, U.S. Department of Agriculture, 2021**). With the US being the first in the world, it can be implied that Germany is the largest organic food market in Europe. According to the document **Facts about German foreign trade (2021)**, Germany is the third largest importer in the world and its most important target market for trade is still Europe. Croatia and Germany have a long history of export / import trade, with an interesting fact, that among edible goods, chocolate and other food preparation containing cocoa are one of the most imported and exported goods between these two countries (↳). However, in 2020, Croatia was ranked 52nd as an imported goods' partner country.

As the EU market is a uniform, joint market, unfortunately there are no separate data for import and export of organic products in Croatia.

Import possibilities for German companies can be seen through international fairs for organic food, like BioFach, which Croatian organic farmers regularly attend. The most important thing is to establish a personal contact with producers and have a continuous communication on both sides, as well as help each other in understanding and facilitating administrative burdens in the trade itself.

An interesting specialized web portal **BurzaHrane** has been established in Croatia in 2013. This web portal connects buyers and conventional and organic producers mainly from Croatia, Slovenia, Austria and Germany, but also from other EU Member States. It is a simple and easy way to directly find or advertise needed products and arrange the delivery.

German retail chains that have their branches and shops in Croatia like **Kaufland**, **Lidl**, **Müller** and **DM** sell German brands in Croatia (e.g., **Alnatura** in **DM**, **BioPrimo** in **Müller**). This communication could go the other way around as well, as these same retail chains sell Croatian organic products in Croatia. It is true that they sell them in lower quantities than their own products, but the exchange could still be profitable. German consumers interested in organic products are well acquainted with Croatia and the type of food it is popular for. This should, however, be communicated at the higher management level, as entering of the Croatian products into these retail chains in the first place is mostly communicated at the lower management level (one of the reasons this process in Croatia is slow and demanding for Croatian organic producers).

As it was mentioned before in this document, in 2020 Croatian agri-food products trade with the EU Member States resulted in a deficit, especially in meat, dairy products, eggs, honey and fruit and nuts. This could be seen as an opportunity for German companies to enter the Croatian market. Some of our interviewed organic producers stated that they have a problem with selling fresh products as their "expiry date" is short. Some of these products are then mostly sent for processing, but "raw material" and fresh product are left unsold. The most important thing is to get in contact with organic producers, either through their personal web sites, social networks, or through NGOs and other in-

Info

BurzaHrane

www.burzahrane.hr

formal groups that they are members of. Cooperatives as a mediator between Croatian organic producers and German companies is still far-fetched, as this niche yet requires development, results and longevity in Croatia.

According to ECs communication on Action plan for the development of organic production, one measure could be seen as a great potential for German companies to access Croatian market more easily. The measure **1.5. Improving traceability** will promote creation of a clear database of operators involved in the production, distribution and marketing of organic products in the EU. This information should be centralised in the whole EU and thus accessible to different stakeholders interested in organic trade.

Legal Framework

The first law regulating the organic farming in Croatia – Law on Organic Production of Agricultural and Food Products, was adopted in 2001 (Official Gazette No 12 / 2001) and in 2010 it was replaced by the Law on organic production and labelling of organic produce (Official Gazette No. 139 / 2010) . This Law prohibited the use of terms “organic”, “ecological”, “biological” or their abbreviations such as “bio” and “eco” for the labelling and the presentation of produce that have not been produced in accordance with the said Law. As Croatia entered the EU in 2013, the organic production became regulated in accordance with the EU regulations.

Mandatory conversion period for plant products is two years and three years for perennial plantations, with the possibility of shortening the conversional period. Organic farming in Croatia is furtherly regulated by the Law on Agriculture (Official Gazette No 118 / 18, 42 / 20, 127 / 20, 52 / 21), specifically by the Chapter IV “Ecological production” of the Title VII. Article 102 regulates that legal and natural person engaged in organic production, processing, marketing, import and export of organic products must be registered in the Register of organic producers. Registration is made on the basis of application submitted to the Paying Agency for Agriculture, Fisheries and Rural Development while the list of organic operators can be accessed at the website of the Ministry of Agriculture in the form of Excel table. (↳)

In order to be registered as an organic operator, the producer must successfully accomplish the first control which is carried out by the control bodies authorized by the Ministry of Agriculture, and subsequently the control by authorized control bodies must be conducted at least once a year.

The list of authorized control bodies, currently 14 entities, is also published on the website of the Ministry of Agriculture. (↳)

Figure 17: Garlic at the Farmer's Green Market in Zadar

Labelling

Farmers are allowed to use the label for organic production only after successful completion of the conversion period, while products in the conversion period must be marked as such. Conversion period completed, products are labelled with the “Euro-leaf” plus the code number, while the addition of the national label is optional.[6] The form of Croatian code number used with the EU eco label is HR-EKO-00[7] where the zeros stand for the reference number of the control body starting with 01.

Figure 18: Croatian national label for the organic product

6 One of proposed measures in the National Action Plan for the Development of Organic Agriculture 2023 – 2030 (which was put on public consultation in May 2022) is the mandatory use of the Croatian label on organic products in order to ensure greater recognizability of Croatian ecological products on the market. (↳)

7 See Ordinance on organic agricultural production (Official Gazette No 19/2016) (↳)

Control bodies and the field of their authorization (2022)

Certifying body	Raw or unprocessed agricultural products	Raw or unprocessed agricultural products[8]	Raw or unprocessed agricultural products[9]	Raw or unprocessed agricultural products[10]	Raw or unprocessed agricultural products[11]	Processed agricultural products intended for use as food	Animal feed	Animal feed (unprocessed)	Animal feed (processed, unprocessed)	Vegetative propagation material and seeds
BIOINSPEKT d.o.o. HR-EKO-01			■			■			■	■
ZADRUGA AGRI-BIOCERT HR-EKO-03					■	■		■		■
BIOTECHNICON PODUZETNIČKI CENTAR d.o.o. HR-EKO-04				■		■			■	■
HRVATSKE ŠUME d.o.o. HR-EKO-05			■			■		■		■
TRGO-INVEST d.o.o. HR-EKO-06			■			■				
BIO GARANTIE d.o.o. HR-EKO-07					■	■			■	■
BUREAU VERITAS d.o.o. HR-EKO-08	■					■	■			■
EUROTALUS d.o.o. HR-EKO-09			■			■			■	■
EKO RAZVOJ d.o.o. HR-EKO-10			■			■			■	■
NASTAVNI ZAVOD ZA JAVNO ZDRAVSTVO Dr. Andrija Štampar HR-EKO-11		■								
BIOTER d.o.o. HR-EKO-12			■			■		■		■
MAREKO d.o.o. HR-EKO-13			■			■		■		■
PROMO EKO d.o.o. HR-EKO-14				■		■			■	
EKOPLANT j.d.o.o. HR-EKO-15		■								

Figure 19

8 plant production

9 plant production, livestock production

10 plant production, livestock production, aquaculture animal production

11 plant production, seaweed production, livestock production, aquaculture animal production

EU and National Support

According to the data published in the **Yearly report on the state of agriculture in 2020**, total funds provided for the implementation of the Rural Development Programme of the Republic of Croatia for the period 2014–2020 amounted to over 2.3 billion euro, of which the European Union's investment amounted to over 2 billion euro. From the beginning of the implementation of the Program until the end of 2020, over 2.1 billion euro of public funds were approved (91 % of the total available funds), and over 1.4 billion euro (62 % of the total available funds) were disbursed. Out of this, for Measure 11 – Organic farming, a total of around 185.39 million euro was allocated, and 140.87 million euro was contracted and disbursed (76 % of the total funds allocated for this measure). This measure consists of 2 sub-measures: M11.1. Payment to convert organic farming practices and methods and M11.2. Payment to maintain organic agricultural practices and methods. A total of 69.3 million euro was disbursed for transition to organic practices and methods from the beginning of implementation to the end of 2020, while in the same period a total of 71,5 million euro was disbursed for the maintenance of organic practices and methods from the beginning of implementation.

In the **Rural Development Programme of the Republic of Croatia for the Period 2014–2020**, the support is defined as the compensation for the beneficiary's loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements, and is given in the form of a grant as an annual payment per hectare.

Payments in the conversion period are higher since they are meant to compensate for the fact that the producer must comply with all of the rules of organic production, while the products in conversion period cannot realize the prices of the organic products.

Sub-measure M11.1. – Payment to convert organic farming practices and methods

Arable crops		EUR 347,78 / ha
Permanent crops	Hazelnut	EUR 750,74 / ha
	Walnut	EUR 461,36 / ha
	Other	EUR 868,18 / ha
Vegetables		EUR 576,94 / ha
Permanent grasslands		EUR 309,94 / ha

Figure 20

Sub-measure M11.2 – Payment to maintain organic farming practices and methods

Arable crops		EUR 289,82 / ha
Permanent crops	Hazelnut	EUR 625,62 / ha
	Walnut	EUR 384,47 / ha
	Other	EUR 723,48 / ha
Vegetables		EUR 480,78 / ha
Permanent grasslands		EUR 258,28 / ha

Figure 21

As stated in the Agricultural Development Strategy until 2030, approximately 5 billion euro will be available for Croatia in the period from 2021 to 2027 from the EU budget, of which approximately 2.5 billion for direct payments and 2.1 billion for rural development, plus 200 million euro from the EU recovery fund to mitigate COVID crisis.

The Organic Market in Croatia

The geographical position of Croatia and access to natural resources needed for development of organic farming has labelled Croatia as one of the countries whose land under organic farming has been growing faster than the EU average. Another advantage is that prices of agricultural land and generally other resources needed for organic farming are still lower compared to other EU countries.

Market of Organic Products

There are no official statistics related to the sale of organic agricultural products in Croatia. However, for the purpose of development of the **National Action Plan for the Development of Organic Agriculture 2023–2030** (which was put on public consultation in May 2022), a survey was conducted in which 1,553 respondents engaged in organic production participated. According to that survey the most used sales channel was the sales on the farm, followed by the social networks, door-to-door sales, while sales in the markets and through the online stores was equated. Retail chains were less used sales channels. We came to similar results as a part of our own SWOT analysis done for the purpose of this report.

Since the EU is a common market, no records are kept on imports of organic products from other member states and Customs Administration (Ministry of finance) keeps data only on imports of organic products from third countries. There is also no record of exports of organic products from Croatia to third countries, but only the total exports of Croatian agricultural products. Data analysed for the purpose of development of the **National Action Plan for the Development of Organic Agriculture 2023–2030** show that the total value of import from the third countries amounted up to 5.3 million euro between 2015 and 2020. As much as 38.9 % of this refers to products in the category “frozen fruit, dried fruit, fruit puree, jam” followed by “herbs and dried herbs” which contribute with 12 %. Other categories of imported organic products are food supplements, fats and oils, beverages and concentrates, fresh fruit, sugars, syrups, honey, pastes. The countries with the largest share of exports to Croatia are Serbia (28 %), Turkey (11 %) and the USA (10 %).

Figure 22: Specialized organic store Tvornica zdrave hrane, Zadar

There is also no statistical data on consumption of products in Croatia. However, for the purpose of development of the **National Action Plan for the Development of Organic Agriculture 2023–2030** a survey of 593 consumers was conducted where about two thirds of the respondents were urban residents between 18 and 50 years old. 38.95 % of them buy mostly organic products while only 1.52 % buy only organic products, and 59.53 % prefer conventional products, the most common reason (65.4 %) being the lower price followed by lack of trust that organic products are truly produced differently (47.3 %).

Respondents who prefer organic products most often buy unprocessed plant products (223), bee products (177) and fresh animal products (161) from organic farming, followed by processed animal and plant products, wild plants, mushrooms and aquaculture products, cereals, nuts and dried fruits, flour and pasta, tofu and cosmetics. Buyers of conventional products stated that, if they decided to buy organic product, they would be interested in plant products such as fruits, vegetables and herbs (326), fresh animal products (273), bee products (211) and in lesser frequency nuts and flour, clothing, footwear and fabrics made from organically grown materials.

Figure 23: Fair of organic products, Opatija

According to this research, customers who prefer organic products most often produce them in their own farm or buy directly from someone else's farm (160) and in markets (153), while 123 customers purchase organic products in specialized stores and only 64 of them through the online stores. Another mentioned way of purchase was directly from producers, through solidarity exchange groups, at the eco market in Pula and at eco fairs or specialized health fairs.

A large number of respondents (203) states encouraging the local production as their reason to buy organic products, and among other most frequent motivations are: quality of the product (196), the availability / proximity of the product (71), the reasonable price (50), the promotional price (32). The trademark (7) has a lesser impact.

The level of income and the level of employment of respondents who prefer organic products and those who prefer conventional ones are equal, and in both groups the most common number of household members is 3 to 5. It is highlighted that the largest number of respondents (both groups) are from Zagreb and Zagreb County – counties with the highest average salary in Croatia. 40 % of buyers of organic products stated that they would be willing to spend up to 15 % more than the average price for an organic product, while 36.2 % would be willing to spend up to 30 % more.

Higher education institutions, as well as control bodies, have their own or work with accredited laboratories that perform various tests for them regarding organic agriculture. (↳)

Agriculture or one of its fields can be studied at 9 higher educational public institutions in Croatia:

Faculty of Agriculture at University of Zagreb, Faculty of Agrobiotechnical Sciences at Josip Juraj Strossmayer University of Osijek, University of Split, University of Zadar, Marko Marulić Polytechnic in Knin, Polytechnic in Požega, Polytechnic of Rijeka, College of Slavonski Brod, and Križevci College of Agriculture. Five of them have developed undergraduate or graduate studies in the field of organic agriculture.

Research and Training

IRES

Institute for research and development of sustainable ecosystems – one of its activities is ecological agriculture: production of ecologically clean, healthy, high-value food. During the production process they use natural methods of controlling harmful microorganisms, animals and weeds, as well as treatment (improving the quality) of the soil by using compost instead of mineral fertilizers.

www.ires.hr

BC Institute Zagreb

The BC Institute for breeding and seed production of field crops Zagreb is a seed production company with its own breeding programmes of the most significant arable crops. The company is oriented towards markets in Croatia and abroad through production, improvement and sale of their own hybrids and varieties.

www.bc-institut.hr/en/about-us/

Institute of Agriculture and Tourism – Poreč

The main activity is research in the field of biotechnical and social sciences. It has a laboratory for soil, plants and water, it performs soil analyses to monitor the fertility of vineyards, orchards or vegetable gardens in order to properly use fertilizers and achieve the appropriate yield. Pedological analyses can be prerequisite for applying for state subsidiaries in integrated and organic crop production systems.

www.iptpo.hr/index.php?lang=hr

Agricultural Institute Osijek

The Agricultural Institute Osijek is a public research institute in the field of biotechnology which contributes to the development and advancement of science (plant science) and agricultural promotion through scientific research and by finding innovative solutions.

www.poljinos.hr/en

Institute for Adriatic Culture and Karst Reclamation – Split

The scientific research activity of the Institute includes basic and applied development research in the fields of agriculture, food technology and forestry. One of the scientific and professional activities of the Institute is development and testing of production technologies, from conventional to organic, in accordance with the specific ecological and socioeconomic conditions of the Adriatic region with the aim of highlighting and increasing competitiveness.

www.krs.hr

Higher Education Institutions

The Faculty of Agriculture in Zagreb

— Three-year undergraduate study program in Organic Agriculture
— Two-year study programme of Organic Agriculture with Agritourism

www.agr.unizg.hr

Josip Juraj Strossmayer University of Osijek, Faculty of Agrobiotechnical Sciences Osijek

— Two-year graduate study programme in Organic farming

www.fazos.unios.hr/en

University of Zadar, Department of Ecology, Agronomy and Aquaculture

— Three-year undergraduate study programme of Applied ecology in agronomy

www.unizd.hr/eng

College of Slavonski Brod

— Two-year graduate professional study programme of Ecological Agriculture and Rural Development

www.ibm.unisb.hr/english

Križevci College of Agriculture

— Two-year Specialist Graduate Professional Study of Sustainable and Organic Agriculture

www.vguk.hr

Informal Education

Ministry of Agriculture, Directorate for Professional Support for Agricultural Development

— Free courses on organic agriculture for producers

www.savjetodavna.hr

Dr. Rudolf Steiner Centre

— Courses on biodynamic agriculture

www.centar-rudolf-steiner.com/?lang=en

Donor Support and Interviews with Relevant Actors in the Organic Sector

For the purpose of this report two interviews have been conducted; with Iris Beneš from the Brod Ecological Society-BED, as well as with Sunčana Pešak, the program coordinator of the Croatian Federation of Associations of Organic Producers. It has been established that there are no other significant supports for organic production in Croatia other than the ones coming from the state, while the support of the counties[12] on encouraging organic producers is insufficient.

Pešak also emphasizes: “In our country, organic producers are mostly small and medium-sized businesses and are not unified, so until now the problem with exports has always been the quantity of products. There are not enough of the domestic organic products to supply the stores in Croatia, let alone for export. But considering that the market is relatively small, it would definitely make sense to unite producers, and take advantage of these opportunities as well.”

For the purpose of this report, two online questionnaires have been created and distributed to relevant actors in the organic sector. First online questionnaire has been created for organic producers as its final recipients. It was vastly distributed by email to producers themselves through formal and non-formal organisations in organic sector and through control bodies who distributed the questionnaire to their clients, i.e., the organic producers. The main idea of the questionnaire was to find out which types of products are cultivated and produced, which media organic producers use the most to sell their products and how willing they are to engage in intra-EU trade and the main difficulties they see in it. We gathered 20 responses altogether, with 14 people leaving their contact to be interviewed via phone. The phone

12 Administrative units at NUTS 3 level

interviews were a more elaborated form of the questionnaire with questions used to address the SWOT analysis and also to gather more in-depth information about co-operation with retail chains and specialised shops in Croatia, cooperation with formal and informal organisations in organic sector, as well with Ministry and Agencies and possibilities to engage in intra-EU trade.

Figure 24: Organic blueberries, farm Bučević, Podstrana, Split-Dalmatia county

it profitable. A few good examples that have entered the big retail chains as Spar and Lidl have told us that they had to engage in committed communication with the company itself and agree with the terms they were offered with. The exceptions are smaller, locally based shops that sell conventional and organic products. In these shops retailers invest more time and energy in promoting the products.

Selling media for organic producers (2022 | %)

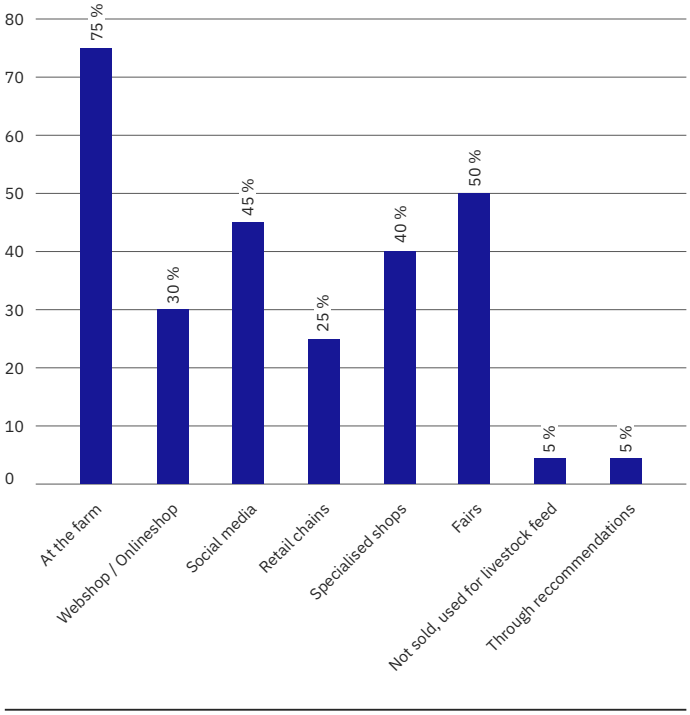


Figure 25

Organic products include fresh fruits and, interestingly, especially berry fruits (blueberry, strawberry, blackberry, Aronia berry and Siberian blueberry (Haskap berry), vegetables, nuts and their processed products (juices, powder and jams), honey, cheese, wine and olive oil. Organic producers were allowed to choose more than one selling media. The most common selling media is directly at the farm for 75 % organic producers (figure 25). Most organic producers are small family farms and they have their faithful customers or sell their products through recommendation. Most of them do not have good experience with retail shops as it is quite difficult to enter the market of bigger companies. In practice, it has proven to be quite costly and the paperwork is exhausting. Furthermore, the products our organic producers are offering are seasonal and do not contribute to daily turnovers, and that is way bigger retail chains do not find

Most of our interviewed organic producers are currently a part of formal and / or informal organisations that deal with organic production (mostly NGOs and solidarity groups). These organisations and groups help them with promoting and selling their products at local fairs and in knowledge exchange. Other forms of formal organisations, such as cooperatives, have proven to be less successful. Farmers have either been part of it or are still part of it, but have had bad experiences, as cooperatives did not fulfil their assigned roles. The idea behind co-operatives is to group small family farms and help them with distributing and marketing, while farmers continue to work on their product. This support has unfortunately been lacking, as there is no firm and steady leadership in cooperatives that would bring continuity and results to small farmers' products. Unfortunately, in Croatia this concept of cooperatives also has a bad connotation, as it

is a legacy from the Yugoslav socialist system and people feel distrustful towards it. There is also no quality communication and trust among farmers themselves in joining a cooperative, even if there is an incentive from outside of Croatia in demand of their products.

Communication with the Ministry and local agencies is satisfactory, but it stops mostly at knowledge exchange. Organic producers believe that there should be more support for small farmers at the national level and that there should be a clear distinction between organic agriculture and food industry in both, legislation and required paperwork, for selling their products.

Many organic producers have had excellent experience with foreign tourists, and these were willing to pay more for organic products. Croatia is a tourist country and they see the potential in it. However, for intra-EU trade, this alone is not enough.

All of the organic producers that were interviewed are willing to start intra-EU trade, however, they do not know where and what to begin with. The biggest problem is to find some interested buyers and the quantity of their products. Producers are familiar with international trade fairs for organic food like BioFach Germany and have even had experiences with interested buyers at the fair. However, communication did not proceed further from the fair itself. The quantity of the product is another problem, as even if the communication continued, they do not have enough quantity to offer for intra-EU trade. The only potential in selling their products is seen in joining other farmers in cooperatives. On the other hand, this requires time and commitment with the work within the cooperative itself and transparent communication in both directions, with the buyers and local farmers.

There was one interesting comment considering transition from organic farming to biodynamic farming. There have been quite a few inquiries from other Member States' buyers about products coming from biodynamic farming. As it turns out, the demand for these types of products is higher than for organic farming products and the buyers are even willing to pay more.

The second online questionnaire was created for retail chains and specialized shops (both physical and webshops) that sell organic products. It was sent to more than 30 email addresses, i.e., to all known shops that sell organic products in Croatia. The idea behind this questionnaire was to find out what type of organic products they sell and what the ratio between Croatian and imported organic products is. Unfortunately, not a single shop responded to our questionnaire. However, in our telephone interviews with organic producers we have found out that it is quite difficult to comply with the conditions bigger retail chains are demanding in order for a local producer to sell their products. Unfortunately, bigger retail chains and specialised shops still sell more imported organic products and by a lesser price than the ones from Croatian organic producers. Some positive examples are smaller locally based shops that sell both local, conventional and organic products like shop **Mrkvica** and specialised websites that promote conventional and organic products.

Successful revival of fig products

A family farm **Šinjorina smokva** (trans. „Mademoiselle Fig"), has recently been the proud holder of the Green Medal for the best eco producer. That is how Sandra Babac, the producer of fig jam whose slogan is: "One ingredient only!", became the first female holder of the Green Medal in Croatia. This success did not come over night. Not only that Sandra Babac produces premium and award-winning eco products such as fig, marasca black cherry, quince, blackberry, plum and mandarin jams since 2004, but she also founded and organized Fig Festival in Zadar for many years (2007–2017).

The festival presented the entire range of fig products, salty and sweet, liqueurs and brandies, including fig bread, the so-called "smokvenjak". This bread made from dried figs is still being prepared and offered on festive occasions throughout Dalmatia.

Inspired by the fig, various artists contributed to the Festival by creating dresses, skirts, pictures and photographs. Even the locally famous jewellery designer and glassblower Antonija Gospić made a limited edition of rings with a fig as motif.

Info

Mrkvica

www.ducan-mrkvica.hr

Specialised websites (e.g.)

www.bioplanet.hr/trgovina-organskih-proizvoda

www.annapurna.hr

www.uberiovo.hr

Figure 26: Sandra Babac

Figure 27: Fig jam “Šinjorina smokva”

Other Important Stakeholders in Organic Production – Institutions in the organic farming and organic control system

The Ministry of Agriculture

As the competent body, the Ministry of Agriculture gives authority to control bodies and maintains a list of subjects in organic agriculture. Its Department for Agricultural Land, Plant Production and Market – Service for Organic Production is responsible for organic agriculture. The Ministry is also responsible for grants in the field of organic agriculture.

www.poljoprivreda.gov.hr

The Payment Agency in Agriculture, Fisheries and Rural Development

Agency registers farmers in the List of Subjects in Organic Agriculture based on the submitted application. Together with the Ministry of Agriculture, the Agency implements Common Agricultural Policy and the Common Fisheries Policy measures, which are financed from the Republic of Croatia state budget and the EU budget.

www.apprrr.hr

Croatian Agency for Agriculture and Food

The Agency, as a public institution, provides professional and scientific support to the Ministry of Agriculture and participates in the implementation of official controls and other activities in accordance with regulations on food, animal feed, animal health and welfare, plant health, and means of protecting herbs, cooperates with institutes and laboratories. It is a national contact point of the European Food Safety Authority (EFSA).

www.hapih.hr

The State Inspectorate

Sector for Agricultural Supervision and Phytosanitary Supervision carries out official controls of organic production and labelling of organic products and inspection of authorized control bodies for expert control in organic production.

www.dirh.gov.hr

Croatian Organic Farmers Associations Alliance

It is the head organisation of Croatian organic farmers, it gathers 11 organic farmers organisations and approximately 200 organic farmers as their members.

www.hsep.hr/on-english

Agroklub

Agroklub is a specialised web portal covering topics regarding agricultural production and the food industry in the region, including organic production.

www.agroklub.com

The Croatian Chamber of Agriculture

www.komora.hr

Organic Fairs

One of the longest-running eco fairs in Croatia is organized by NGO **Žmergo**. It is ESO – Ecological fair Opatija (small eco-market), where only certified producers can participate. Being interviewed for the purpose of this report, NGO Žmergo expressed its intentions to become a centre for collecting domestic organic products and organize export to the EU. The largest organic fair in Croatia however is **ZeGeVege** which takes place every year in September in Zagreb on the main city square and lasts for three days.

A large number of fairs and festivals are held in Croatia during the year, where certified producers exhibit and sell, but not exclusively. The list is available on the specialised news portal Agroklub (↳).

ESO – Ecological fair Opatija (small eco-market)

— Organization: NGO Žmergo
— Location: Opatija

www.zmergo.hr

ZeGeVege

— Organization: Animal rights and protection organization for promotion of veganism Animal Friends Croatia
— Location: Zagreb

www.zegevege.com/?lang=en

Eco fair in Čazma

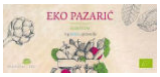
— Organization: NGO Eko Čazma
— Location: Čazma

Eko Fjera

— Organization: Association of ecological producers of Dalmatia
— Location: Split

www.dalmacijaeko.hr

EKO Pazarić



— Organization: Association Dalmacija EKO
— Location: Split

Specialized and Online Stores

Garden

— 5 stores: 4 in Zagreb and 1 in Rijeka, as well as a webshop
— Organic products, mostly from foreign producers

www.garden.hr

Tvornica zdrave hrane

— Stores in Zagreb, Varaždin, Rijeka, Pula, Split, Zadar, as well as a webshop
— Products mostly from foreign producers (also have wine and beer from ecological production)

www.tvornicazdravehrane.com

Greencajg

— Stores: in Zagreb
— Large selection of vegetables, fruits, grains, oils, cosmetics

www.greencajg.hr

Biolindo

— Webshop of vegan, organic, environmentally friendly and biodegradable products for washing and cleaning

www.biolindo.hr

Fino.hr

— Store: in Zagreb
— Webshop

www.fino.hr

Bio&Bio

— 12 stores in Zagreb, 3 stores in Split, 2 stores in Zadar and one store in Rijeka, Osijek, Pula, Varaždin and Dubrovnik
— Webshop
— Mostly foreign brands, but also organic products from Croatian producers

www.biobio.hr

Annapurna

— Webshop
— Domestic, ecological products based on wheat and soy

www.annapurna.hr

Priroda i društvo

— Store in Zagreb, webshop
— Certified organic products, gluten-free products, natural food supplements, face and body care products, bread and pastries, household maintenance products

www.prirodaidrustvo.hr

Zdravi dućan

— Store in Rijeka, webshop
— Part of the assortment is sold in bulk and packed in paper packaging, but they encourage their customers to bring their own jars, containers, paper bags etc.

www.zdravi-ducan.hr

Žitnica zdrave hrane

— A specialized store in Varaždin for the distribution and sale of healthy food, large selection of all types of grains and grain products, seeds and legumes from all over the world
— Wholesale, retail, webshop

www.zitnica.hr/oznaka-proizvoda/ekoloski-proizvod

Bio Planet

— Chain of bulk organic food stores in Split
— Certified organic, vegan, vegetarian and gluten-free products

www.bioplanet.hr

Uberi ovo

— Webshop

www.uberiovo.hr

Mrkvica

— 3 stores in Zagreb, webshop
— Food from small local farms and producers, some of them are Eco certified

www.ducan-mrkvica.hr

Burza hrane

— Specialiced portal that connects buyers and producers from Croatia, Slovenia, Germany, Austria and EU. Organic producers with their branded products can advertise and sell their products throughout the portal.

www.burzahrane.hr

Retail Chains

The largest supermarkets and drugstore chains developed their own brand under which they sell organic food products.

Grocery store chain **Tommy** with 217 stores in Croatia developed a special department called “Healthy corner”, also on the webshop, where organic products are represented, but not exclusively. (↳) It is relevant to note that except for **Konzum**, all the large supermarket chains with their own in store organic brands are international companies.

Konzum

— Leading retail chain in Croatia (611 stores)
— Konzum developed the EKOZONA brand in cooperation with Croatian company Biovega d.o.o, owner of the specialized organic stores Bio&Bio.

www.konzum.hr

DM

— 164 stores in Croatia and webshop
— DM offers a wide range of certified products mostly from foreign producers and a large number of them under their own brand dmBio, but also product with Naturland and Demeter certificates.

www.dm.hr

BIPA

— 129 stores in Croatia
— The most represented brands with certificate are Alnatura and Nutrigold, but some domestic certified brands are also represented.

www.bipa.hr

Spar / Interspar

— 121 stores in Croatia
— Instore brand for certified food products: SPAR Natur*pur

www.spar.hr

Lidl

— 103 stores in Croatia
— Instore brand for certified food products: Biotrend

www.lidl.hr

Müller

— 84 stores in Croatia
— Instore brand for certified food products: BioPrimo

www.mueller.hr

Kaufland

— 42 stores in Croatia
— Instore brand for certified food products: K-Bio

www.kaufland.hr

Eurospin

— 18 stores in Croatia
— Instore brand for certified food products: Amo Essere Bio

www.eurospin.hr

SWOT Analysis of the Organic Sector

SWOT analysis has been done after collecting the answers from the online questionnaire for organic producers (20 in total) and after conducting an in-depth interview with 14 organic producers that had filled in the questionnaire. The collected data was analysed and relevant documents regarding organic farming were also consulted (EC's Action Plan for the development of organic production, Agricultural Development Strategy until 2030 and National Action Plan for the Development of Organic Agriculture 2023–2030).

Strenghts

- Positive effects on the environment (biodiversity, soil and water quality)
- Production of healthy and high-quality food and positive effects on human health
- Croatia's diverse biogeographical regions, diverse agricultural products
- Good cooperation with the Ministry and local agencies for agriculture
- Legislative for organic farming in implementation
- Incentives for organic farming available
- Diverse formal and informal groups available for knowledge exchange
- Access to intra-EU trade as an EU country
- Online platforms available for sale and promotion of organic products
- Science, research and educational organisations and institutions for future organic producers and consumers

Weaknesses

- Less yield than conventional farming
- Missing work force in Croatia
- Extensive paperwork for selling organic products
- Higher costs for selling organic products
- Lower income of Croatian citizens
- Awareness of benefits of consuming organic products is still low
- Small family farms have to engage in all activities of selling their products – no time and not enough knowledge to do so
- Large number of small family farms in Croatia – not competitive on the market
- Bad experience with cooperatives and low willingness to engage in new ones
- Individual farmers do not have enough products for bigger demand (both in the country and for export)
- Non-existent data for trade of organic products

Opportunities

- Younger generations more inclined towards consuming organic food
- International trade fairs for organic food (e.g., **BioFach**)
- Easy transition to biodynamic farming
- Potential of selling products through tourism activities
- Potential of selling products in specialised shops
- EU funded processing facilities across Croatia available for organic producers
- Development of new technologies (tools and web platforms) to promote and sell organic products

Threats

- Consumers' distrust, as they see eco labelling as green washing
- Climate change and its negative effects on yields
- Global economic crises caused by the COVID-19 pandemics and the war in Ukraine
- Consumers have more trust in foreign products
- Malpractice in the market, conventional products promoted as organic products

Outlook / Conclusion

Croatia has a great potential for organic farming. The geographical position of Croatia and access to natural resources needed for development of organic farming (e.g., clean water, clean air, unpolluted soil, available agricultural land that has not been used in years), has labelled Croatia as one of the countries whose land under organic farming has been growing faster than the EU average (National Action Plan for the Development of Organic Agriculture 2023–2030). In the last decade, Croatia has had the highest growth of organic producers in the EU (Agricultural Development Strategy until 2030). Another advantage is that prices of agricultural land and generally other resources needed for organic farming are still lower compared to other EU countries.

The main barriers for the growth and better positioning of organic farming are still seen in the lack of full support from different national authorities such as Ministries and other bodies that are relevant for organic farming. Better cooperation between different national stakeholders and promotion and knowledge exchange of benefits of organic farming as a national marketing campaign would enhance organic farming and its consumption. Croatian organic farmers are mostly small family farms and cannot produce enough products to be competitive on the market. On the other side, aversion and distrust towards joining cooperatives makes it harder for them to enter the market and expand their sale. Although cooperatives are quite common and already a good and established practice in other EU countries, the perception of cooperatives as a legacy of the old, socialist system has to be changed in Croatia. This is something that needs to be done at a national level, through incentives and support in establishing and maintaining cooperatives. Croatia has been facing severe depopulation in the past 10 years and thus the workforce that could be available and interested in organic farming is missing. By promoting organic farming in all sectors, this could also be a job opportunity for people and help depopulation and / or increase repopulation in rural areas.

However, there are quite a lot of opportunities available to boost organic farming in Croatia. Awareness raising about healthy nutrition and sustainable food production and environmental protection have been constantly growing around the globe. In the light of COVID-19 pandemics, consumers tend to take more care about their health, thus the demand for organic products is increasing (National Action Plan for the Development of Organic Agriculture 2023–2030). As part of ECs communication on an Action Plan for the development of organic production, there are different sets of measures to promote organic farming. One of them is the measure **2.3. Supporting the organisation of the food chain** with the main goal to help organic farmers get available EU funds through CAP and enter the market more easily by creating or joining a "producer organisation". Member States are encouraged to allocate funds for the establishment of such organisations. Another measure is the measure **1.2. Promoting organic canteens and increasing the use of green public procurement** which could boost organic farming furthermore. In the Farm to Fork strategy, the Commission commits to determine the best way of setting a minimum mandatory criteria for sustainable food procurement to promote healthy and sustainable diets, including organic products, in all public institutions, including schools.

As a tourist country, Croatia's enormous potential for enhancing organic farming is seen through tourism and gastronomic offers, but also through development of new technologies that could further promote organic products far beyond Croatian borders.

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