

LATVIA



Report on the status of organic agriculture and industry in Latvia

Gefördert durch



Bundesministerium
für Ernährung
und Landwirtschaft

BÖLN

Bundesprogramm Ökologischer Landbau
und andere Formen nachhaltiger
Landwirtschaft

aufgrund eines Beschlusses des
Deutschen Bundestages

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Disclaimer

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This report has been prepared to the best of our knowledge and belief. We cannot however accept any guarantee for the accuracy, correctness or completeness of the information and data provided.

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Latvia: Facts and Figures

Map

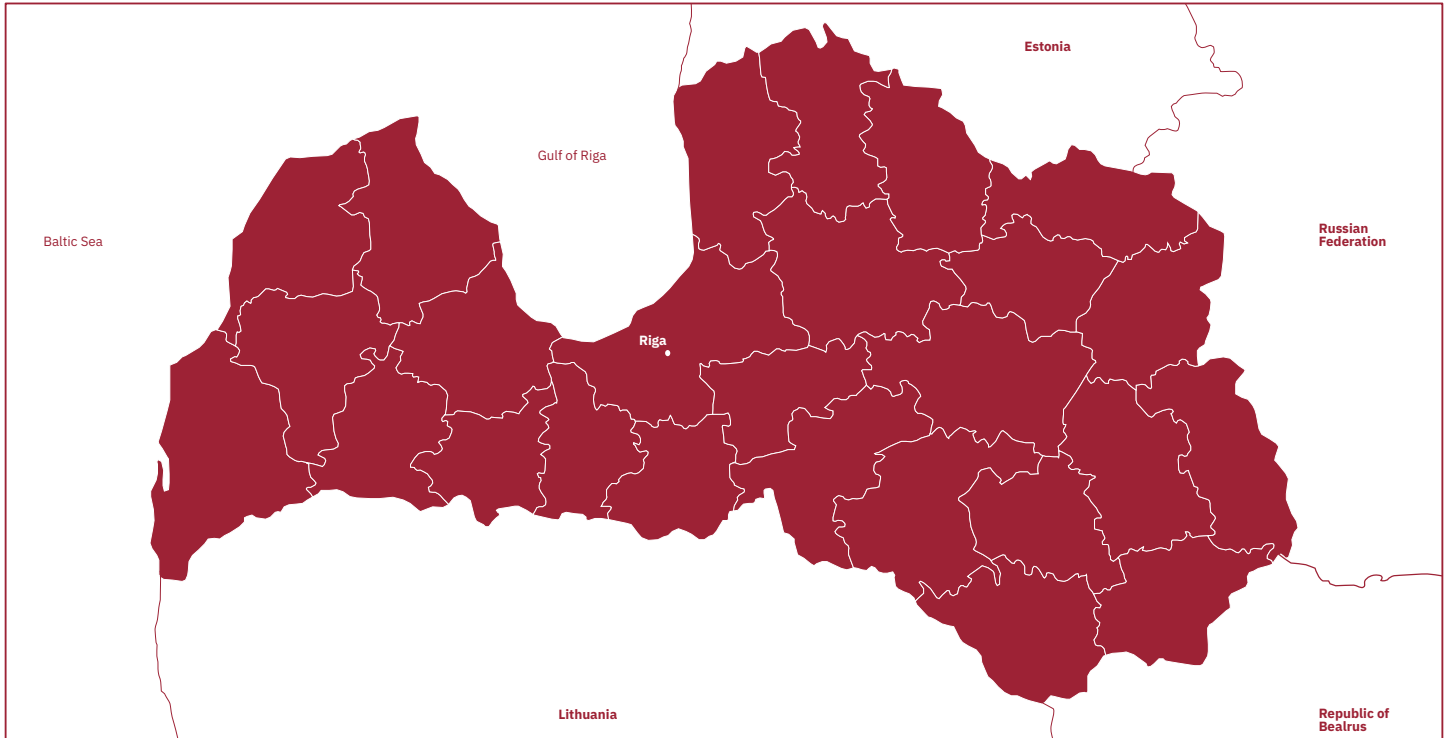


Figure 1: Map of Latvia with districts

Country statistics

64,593.79 km²

Total area of the country

1,893,213 mil.

Population (2021)

15,431 €

GDP per capita (2020)

1,969 thousand hectares

Agricultural land (2020)

75.8 thousand

Farms (2019)

38.8 ha

Average farm size (2019)

4.28 %

Agriculture, forestry, and fishing,
value added % of GDP
(2019)

7.3 %

Percentage of the population employed in agriculture,
forestry and fishing from the total number of people
employed in the national economy

Climate and Soil

Latvia's climate is largely determined by its location as it lies in the temperate climate zone, on the coast of the Baltic Sea and the Gulf of Riga, which is affected by the Atlantic Ocean. In general, Latvia has high cyclone activity, which creates pronounced changes in weather conditions. The air masses brought by the cyclones increase the temperature in the winter months and create humidity and cooler weather in the summer months. The average annual precipitation volume in Latvia is 692 mm. The highest precipitation is usually in July and August, with an average of 76 and 77 mm, while the driest month is April with an average of 34 mm. The climatic standard for the average annual temperature is +6.4 °C. The warmest month of the year is July with an average air temperature of +17.4 °C, while the coldest

month of the year with an average air temperature of -3.7 °C is February.

Growing season – from 1971 to 2010, the average growing season in Latvia started on April 13 and ended on October 22, although in some years it fluctuated significantly. The average number of days in the growing season varies by more than three weeks.¹

There has been no continuous soil mapping in Latvia, so only the results of agricultural land and geochemical mapping, forest monitoring and scientific studies can be learned about the spatial distribution of Latvian soils. The agricultural lands are dominated by podzolized loam soil and sod podzolic soil, which account for around 31 % and 27 % respectively of agricultural land.²

1 See <https://www.meteo.lv/lapas/laika-apstakli/klimatiska-informacija/latvijas-klimats/latvijas-klimats?id=1199&nid=562>

2 See <https://enciklopedija.lv/skirklis/26023-Latvijas-augsnes>

State and Development of Agricultural Production

At the end of 2019, there were 75.8 thousand farms in Latvia, which is 8 % less than in 2016, which managed 1,959.4 thousand ha of agricultural land (See Figure 2). The area of agricultural land over the last ten years has increased by 8.5 %. The average size of a farm is also increasing. In 2019 it was 38.3 hectares, which is 8.8 hectares or 30 % more than in 2010.³

Economic Indicators of Agricultural Production

The total value of agricultural output at basic prices (including product subsidies) in 2019 increased by 25 %, which is the highest figure so far. 64 % of this value was crop production, while 36 % was livestock production. The most significant changes in 2019 were present in production of some crops – cereals and rape increased their share in the structure of final production by 4.3 % and 3.2 % respectively. The share of vegetables and potatoes has also increased slightly (by 0.45 %). The share of livestock products has decreased: for milk – by 3.9 %, for beef – by 1.1 %, for poultry meat – by 0.6 %, for pork and eggs – by 0.5 %.⁴

The estimated net income per agricultural worker in 2019 is on average 640 EUR per month, which is 34.5 % more than in 2018, as well as significantly more than in any previous year. After Latvia's accession to the European Union (EU), farmers' income has usually been in the range of 70–80 % of the national average. Looking at this indicator, it is worth remembering that in agriculture the income varies significantly depending on the size and specialization of a farm. A large proportion of employees work on small farms (intended for self-con-

sumption or semi-self-consumption) and have low incomes, while farms that are producing products for trading tend to have significantly higher incomes.⁵

Cultivation of Grain

In 2019, Latvian farms cultivated the largest total grain yield – 3.2 million tons, which was 1.5 times more than in the previous year. The average cereal yield per hectare reached 4.26 tons. This increase in total yield was due to favourable weather as well as an increase in sown areas. The share of land area occupied by winter crops in the total area intended for cereals increased from 35.4 % in 2018 to 58.8 % in 2019 and it also had a significant impact on the yield.⁶

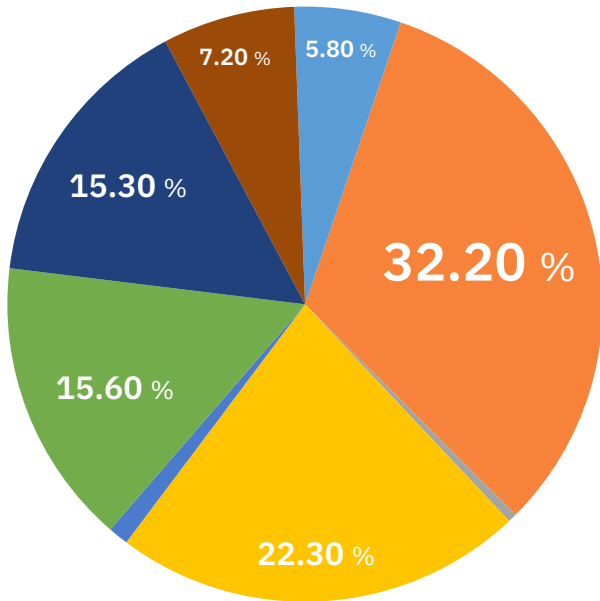
3 See <https://stat.gov.lv/lv/statistikas-temas/noz/zivsaimn/publikacijas-un-infografikas/7268-latvijas-lauksaimnieciba-2021>

4 Ibid.

5 See https://www.zm.gov.lv/public/files/CMS_Static_Page_Doc/00/00/01/89/03/2020_lauksaimniecibas_gada_zinojums1.pdf

6 Ibid.

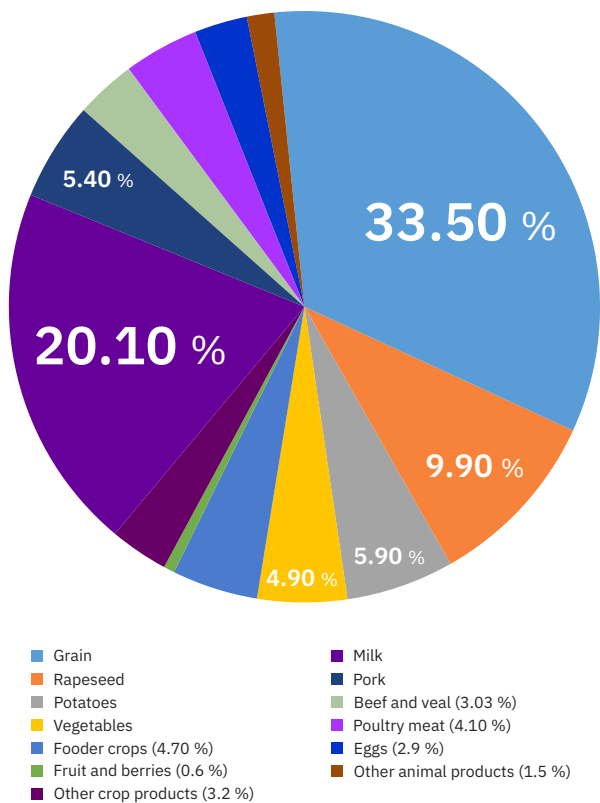
Utilisation of Agricultural Area (2019)



- Meadows and pastures
- Winter cereals
- Forage plants-fooder green crops
- Spring cereals
- Other arable land (1.1 %)
- Rapeseed
- Potatoes
- Permanent crops (0.5 %)

Figure 2: Utilisation of Agricultural Area (2019)
Source: Official Statistics Portal, <https://stat.gov.lv/en>

Structure of Final Agricultural Output (in 2019 at base prices)



- Grain
- Rapeseed
- Potatoes
- Vegetables
- Forage crops (4.70 %)
- Fruit and berries (0.6 %)
- Other crop products (3.2 %)
- Milk
- Pork
- Beef and veal (3.03 %)
- Poultry meat (4.10 %)
- Eggs (2.9 %)
- Other animal products (1.5 %)

Figure 3: Structure of Final Agricultural Output (in 2019 at base prices)
Source: Official Statistics Portal, <https://stat.gov.lv/en>

Income from Agriculture (2015–2019)

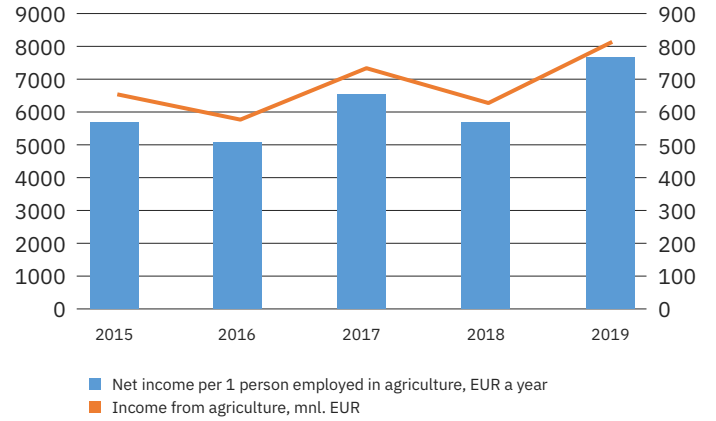


Figure 4: Income from Agriculture (2015–2019)
Source: Institute of Agricultural Resources and Economics

Sown Area, Harvested Production and Average Yield of Cereals (2000–2020)

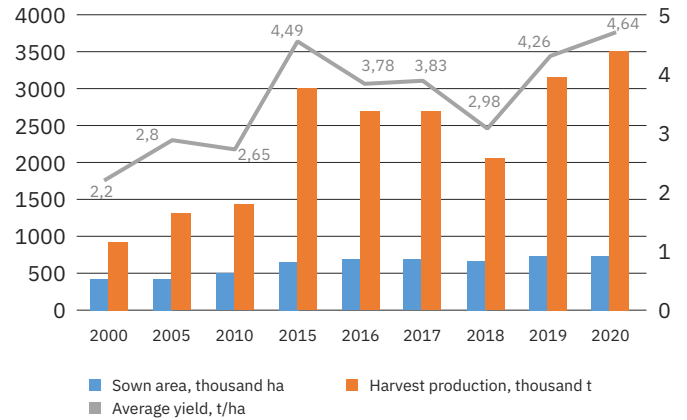


Figure 5: Sown area, Harvested Production and Average Yield of Cereals (2000–2020)
Source: Official Statistics Portal, <https://stat.gov.lv/en>

Livestock Farming

At the end of 2019, agricultural holdings were breeding 395.3 thousand cattle heads. Although the total number of cattle has remained at the level of 2018, the number of dairy cows has decreased by 4.2 %, while the number of other cows has increased by 9.2 %. This is due to the fact that beef production has advanced. Large farms allow for more efficient farming, so there is an increase in the number of beef cattle.

Although the pig farming sector has been affected for several years by unpredictable adverse factors (swine fever, unpredictable changes in meat prices and rising grain prices), this sector is still able to stay in the market and provide the largest share of meat production in the country. In 2019, the number of pigs increased by 3.1 %.

The number of registered poultry is also growing each year. Poultry in Latvia are raised both in large poultry companies and in small farms, which operate according to conventional and organic farming system rules. The most popular poultry species are laying hens and broilers, however, quail, turkeys, ostriches, ducks, geese and guinea fowl are also raised for eggs and meat.

The number of sheep and goats has decreased by 7.0 % and 4.5 %, respectively. The number of horses also keeps plummeting. At the end of 2019, it had decreased by 1.5 % compared to 2018. Latvian farmers mostly raise Latvian horse breeds as well as those used for riding, which are then trained to become either high-class sport horses or horses used for riding lessons in sports schools, and horses for amateurs.⁷

Structure of Livestock Herds at Livestock Units (2019)

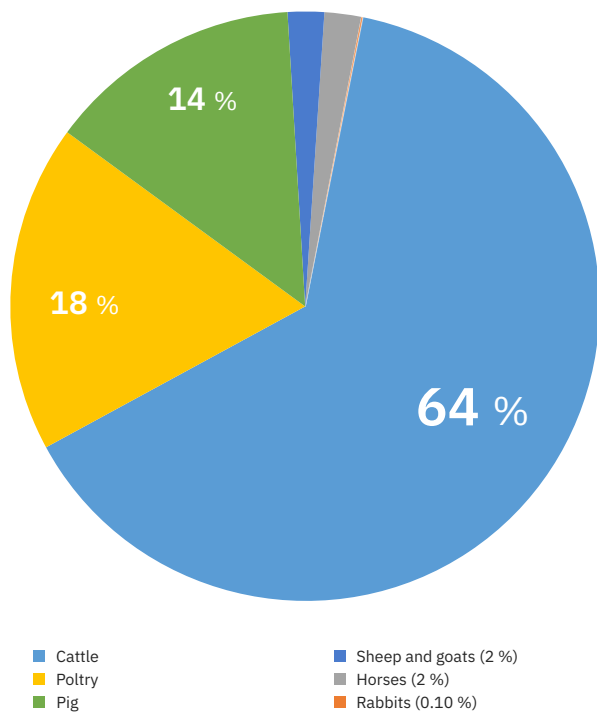


Figure 6: Structure of Livestock Herds at Livestock Units (2019)
Source: Official Statistics Portal, <https://stat.gov.lv/en>

Food and Agricultural Products Import and Export

According to Eurostat data, in 2020, food, agricultural and fishery products were the most important goods in Latvia's total exports. In 2020, exports of food, agricultural and fishery products accounted for 23.1 % of the total value of Latvia's exports.

The most important Latvian export products in 2020:

1. non-alcoholic, alcoholic beverages – 28.1 % of the total food and agricultural export values of agricultural products;
2. cereals – 19.6 % of total food and agricultural exports values;
3. milk and milk products, eggs, honey – 8.4 % of total food and agricultural exports values.

The most important Latvian export products in 2019:

1. non-alcoholic, alcoholic beverages – 30.6 % of total food and imports of agricultural products values;
2. fruits and nuts – 7.3 % of the total food and agricultural products import values;
3. cereals – 5.8 % of total food and imports of agricultural products values.

In the structure of exports of food and agricultural products, exports to other EU countries and third countries were similar – 49 % of products were sold on the EU internal market and 51 % of products were exported to third countries. In the structure of imports of food, agricultural and fishery products, imports from other EU countries make up the largest part – in 2020, 83 % of food and agricultural products were imported from other EU countries, and 17 % – from third world countries.

In 2020, the three most important export destinations for Latvia's food and agricultural products were Russia, Lithuania and Estonia. 45.9 % of the total value of food and agricultural exports was exported to them. In terms of imports, the most important trading partner is Lithuania – in 2020, 24.3 % of the total value of food and agricultural imports. The top three also includes Poland and Estonia.⁸

⁷ See https://www.zm.gov.lv/public/files/CMS_Static_Page_Doc/00/00/01/89/03/2020_lauksaimniecibas_gada_zinojums1.pdf

⁸ See https://www.zm.gov.lv/public/files/CMS_Static_Page_Doc/00/00/02/07/08/Parskats_par_LV_arejo_tidzniecibu_2020.pdf

The Organic Sector in Latvia

History and Development of Organic Farming

The origins of the organic farming movement can be traced back to 1989, when a group of Latvian farmers led by agronomist Imants Heinacks visited biodynamic farms in West Germany.⁹ After that, the first organic farms that used biodynamic methods appeared in Latvia.

The development of organic farming in Latvia was promoted by historical events – after the restoration of the independence of the Republic of Latvia, the land was given to private owners. Many regained their family property and looked for ways to manage small farms using alternative methods.¹⁰ Similarly to other countries in Europe, the organic farming movement in Latvia was started by farmers. Farmers were mainly encouraged to focus on organic farming – caring for the environment, promoting soil fertility, preserving the traditional landscape and promoting family health.¹¹ Organic farming in small farms was considered to be the only way to survive.

In 1992, the first organic farms in Latvia were certified in accordance with the standards of biodynamic agriculture developed by the association **Demeter**. The costs of farm certification were covered by the Eastern European Development Project financing provided by the **Heinrich Böll Foundation**.¹² When the project ended in 1998, Latvian farmers could no longer afford to certify farms according to Demeter standards so other certification schemes were sought.

In the 1990s along with the biodynamic farms other organic farms started developing, which started farming in accordance with other organic farming standards. In cooperation with American specialists, several farms were certified according to the standards of the **Organic Crop Improvement Association**.¹³ In

1995, a non-governmental organization **Environmental Protection Club** developed a private standard of environmentally friendly management under the trademark **Green Certificate**.¹⁴

In 1998, a total of 39 organic farms were certified in Latvia, which managed an area of 1,462 ha or 0.1 % of agricultural land.

As the number of organic farms rose, several non-governmental organizations were established with the aim of defending the interests of organic farmers and promoting the development of organic farming in Latvia.

In 1995, the **Association of Latvian Organic Agriculture** (LBLA) was founded, which united regional farmers' organizations, as well as other farmers, processors, scientists and green lifestyle enthusiasts. Currently, LBLA is the largest organization representing the organic farming industry in Latvia with 1.5 thousand members.

In 1998, the LBLA developed private standards based on organic farming standards for the trademark **Green Certificate**. A Certification Centre subordinate to the LBLA started the certification of farms. In 1999, farms could receive an organic farming certificate under the trademark **Latvia's Eco-product**. In 2000, a certification body **Environmental Quality** was established, which is still one of the two existing certification bodies. The second certification body, the **Certification and Testing Centre**, was established in 2004.

9 Rudlapa, 2005

10 Ibid.

11 Šūmane, 2010

12 Tomsone, 2006

13 Serģe, 2005

14 Rudlapa, 2005

The first time organic farming was recognized in politics was in 1998, when the Ministry of Environmental Protection provided support (subsidies) for environmentally friendly farming within the Latvian Rural Development Programme. In 2001, the definition of “organic farming” was included in the Agricultural Law and a control system was established in accordance with EU Regulation No 2092/91. This promoted a rapid growth in organic farming – in 2001, 219 farms with an area of 10,549 ha were organically managed.

In 2001, the first organic product market was founded in the capital Riga. The market created an opportunity for farmers to establish a direct link with the customers. The market was mostly filled with primary products, as product processing was not yet developed. To ensure the availability and processing of organic products, farmers began creating cooperatives. The first three organic farmers’ cooperatives were founded in 2003. To promote the products of slaughterhouses, dairy processing establishments and organic farming in the market, respective cooperatives were formed.

In 2003, the Ministry of Agriculture in cooperation with the LBLA developed the **Organic Farming Development Program** for 2003–2006. That year the LBLA also joined the **International Federation of Organic Agriculture Movements Organics Europe** (IFOAM Organics Europe).

The next significant advance in the field of organic farming followed Latvia's accession to the EU in 2004. Latvia adopted the EU regulations regarding organic farming and Latvian organic farmers could receive subsidies for organic farming. Two certification bodies **Environmental Quality** and **Certification and Testing Centre**, which to date certify organic farms, were accredited. Compared to the previous year, in 2004 the area of organic farms quadrupled, reaching 43,902 ha, and the number of organic farms increased to 1,043 farms. Despite the increase in the area of organic farms and the number of farms, the growth of organic products in the market was lagging behind.

The growth of farms reached its highest point in 2008 when there were 4,202 organic farms, after which there was a period in which their number slightly decreased. This decrease could be due to the fact that the first phase of the EU support period came to an end and there were farms that chose not to continue participating in the later phases. The number of farms gradually decreased until 2015, when it started to grow again with the start of a new Rural Development Plan for 2014–2020. In 2019, there were 4,173 organic farms in Latvia, which managed 290,000 ha or approximately 14 % of the total agricultural area in the country, ranking

6th in the EU by the percentage of organically certified agricultural land and 13th by the actual area of organically certified agricultural land.¹⁵

In the last 10 years, the amount of products grown organically in Latvia has also increased significantly and the processing of organic products has developed. Large Latvian processing establishments are involved in the processing of organic products. For example, a Latvian producer **ALOJA-STARKELSEN Ltd** is the world's leading producer of organic potato starch. Along with the supply, the demand has also increased, people are now more interested in their health and therefore prefer organic products. Demand for organic products has been boosted by campaigns organized by the LBLA, Slow Food and other farmers' markets, as well as the Direct-to-Consumer movement. Inspired by the Community Supported Agriculture model, which is popular all around the world, Direct-to-Consumer groups form close links with farmers to organize the supply of organic products. Families involved in Direct-to-Consumer groups purchase goods directly from organic farmers on a weekly basis, investing their time in organizing the purchase process. Organic products are also widely available in supermarkets, which is the most popular place to buy food.

During these years, the activities of non-governmental organizations, especially the LBLA, have played a major role in the development of the organic farming sector and policy-making. Since 2020, LBLA has been publishing a specialized magazine **Bioloģiski**, which is intended for parties involved in the organic farming sector. The LBLA has set a strategic goal for Latvia 30/30/30, which means that by 2030, 30 % of the total agricultural area must be organically managed and 30 % of the purchased food in state and municipal catering procurement must be certified as organic. The Ministry of Agriculture has set a goal for 2027 – at least 20 % of the land used in agriculture or 398,000 ha in Latvia must be used in organic farming, moving towards the EU Green Deal goal of 25 % by 2030.

In 2020 a law was passed regarding the public procurement stating that state and municipal institutions must purchase organic products in catering procurement – at least 35 % of dairy products (50 % starting from 2022) and 20 % of cereals, thus the demand for organic products is expected to increase. Green thinking is also promoted by community groups that organize various events to promote a healthy lifestyle, including consumption of organic food. One of the most significant

15 See <https://www.zm.gov.lv/zemkopibas-ministrija/statiskas-lapas/biologiskas-lauksaimniecibas-informacija?id=1576#jump>

events is the green lifestyle festival **Greenfest**, which takes place in Sigulda for the fourth time. The event organizers want to make Latvia's largest protected nature area, the **Gauja National Park**, a place where only organic farming can take place.

Status and Development of the Production of Organic Food

At the beginning of 2020, 4,530 entrepreneurs engaged in organic farming were certified in Latvia. These included 4,232 agricultural producers, 2 breeders of aquatic animals, 65 processing establishments, 5 importers, 11 exporters, and 215 certified trading and other companies. Organic farming takes up 290,000 ha, which is about 14 % of the total agricultural land area in the country.¹⁶ In ten years, the area occupied by organic farming has increased by 75 %. The average farm land devoted to organic farming in Latvia is 70 ha, which is significantly larger than the average area of conventional farms.¹⁷

47 % of certified organic farmland is occupied by natural pastures and meadows, 22.4 % grasslands, 20.2 % cereals, 3.8 % legumes and mixed crops, 6.7 % other areas, including 1.1 % orchards and berries, 1.4 % industrial crops, 0.5 % potatoes, 0.1 % open field vegetables, 2 % fallow and 1.5% – or other (See Figure 7). The structure of the use of the organic farmland in Latvia shows that grassland and fodder crop areas make up a large portion of organic farmland, with farms specializing in livestock farming and herbivore breeding. In 2019, out of the total amount of meat produced, which was 13 000 tons – beef was produced the most 85 %, 9 % lamb, 4 % pork, 1 % deer meat and also poultry meat.¹⁸

Cereals, mostly oats and wheat, occupied an area of 58,523.28 ha. In 2019, 42 % of the total amount of buckwheat and 20% of the total amount of oats produced in Latvia, were produced in organic farms. Pumpkins (136.94 ha) were the most produced organic open field vegetables in organic farms, while orchards and berry orchards were dominated by blackcurrants (924.82 ha), apples (71248 ha) and sea buckthorn (398.66 ha). Organically certified fruit and berry farmlands occupy ¼ of the total area of Latvian orchards.¹⁹

The share of organic products in total production in Latvia has increased from 3.8 % in 2015 to 6.8 % in 2019.²⁰ Comparing the data for 2015–2019, it can be seen that the production volume of most products has significantly increased. However, since 2015, there has

been a decline in the volume of organic meat production in Latvia. One of the reasons is that the export of calves has reduced the number of animals sold at local markets.²¹

Certified Agricultural Crop Areas (2019)

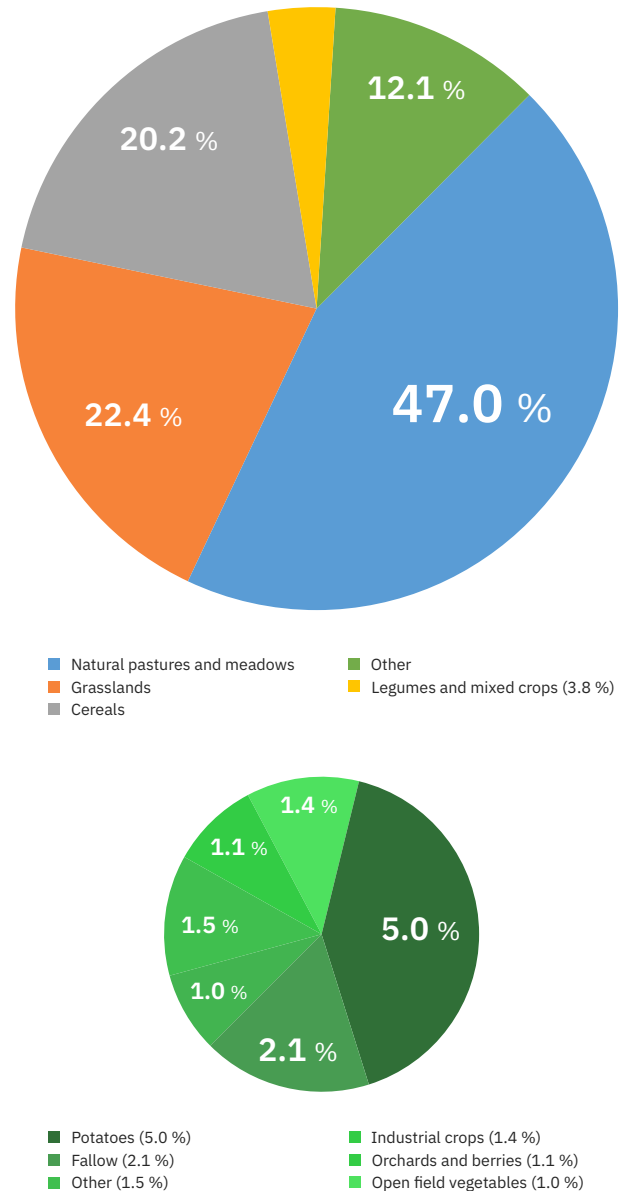


Figure 7: Certified Agricultural Crop Areas (2019)
Source: Ministry of Agriculture

16 See https://www.arei.lv/sites/arei/files/files/articles/Biologiska%20lauksmaimnieciba_04_2021.pdf

17 See <https://www.zm.gov.lv/zemkopibas-ministrija/statiskas-lapas/biologiskas-lauksmaimniecibas-informacija?id=1576#jump>

18 Ibid.

19 Ibid.

20 See https://www.arei.lv/sites/arei/files/files/lapas/Atskaite_BLS_produkcija_aprekini.pdf

21 See https://www.arei.lv/sites/arei/files/files/articles/Biologiska%20lauksmaimnieciba_04_2021.pdf

Volumes of Organic Agricultural Production

(thsd. tons)*

Type of production	2017	2018	2019
Milk	96,5	94,3	88,1
Grain	80,9	79,2	117,3
Potatoes	17,8	23,6	23,9
Meat	1,6	1,6	1,3
Fruit and berry	2,5	3,6	3
Vegetable	2,7	2,3	3,2
Chicken eggs (thousand pcs)	1,9	2	2,6
Honey	0,4	0,5	0,4

Figure 8: Volumes of Organic Agricultural Production (thsd. tons)

Source: Agricultural Data Centre

* The volume of produced products includes the products produced in the organic farming supervision and control system (transition period and certified organic agricultural products)

In 2019, the grain processing and starch production had the biggest output of 23,024 tons, which is 1.4 times more than in the previous year. The amount of fruit, berry, vegetable and potato processing products also in-

creased 1.4 times, reaching 2,656 tons. The processing volume of milk and milk products increased significantly – 1.7 times, reaching 7,380 tons. In total, last year, 785.2 thousand tons of milk were purchased for processing, including 55.4 thousand tons of organic milk.

The number of processing establishments engaged in the processing of cereals and production of starch products has remained the same, while the number of processing plants engaged in the production of meat and meat products, as well as for fodder production has decreased. However, the number of processing establishments engaged in all other categories has increased (See Figure 9). The total value of sold organic agricultural products increased from 31.7 million euros in 2015 to 60 million euros in 2019.²²

Currently, there is an increase in organic farming in the crop sector, while the livestock sector is experiencing a decline in production volume. However, in the future, the growth of global and local market demand for organic food will have a positive impact on the organic farming sector in Latvia, and now more and more processors are entering this market as they see the potential in it.

Processing of Organic Agricultural Products

(2017–2019)

Parameter	Number of enterprises			Production volume, t		
	2017	2018	2019	2017	2018	2019
Production of meat and meat products	27	34	24	1362	1645,7	1553,1
Processing of fruit, berries, vegetables and potatoes	69	76	86	852,1	1857,9	2655,9
Production of vegetable oils and animal fats	3	4	5	3	3,6	2
Processing of milk and milk products	22	24	30	3992,9	4442,1	7380,4
Products of grain processing and starch production	13	13	13	7680,4	16767,2	23024,3
Bread, production of pastry products	19	18	20	1057,3	1161,4	1220,1
Production of other food products	112	128	151	68,7	138,5	325,6
Fodder	4	5	6	953,9	1299,8	1577,3
Production of beverages	12	14	16	160,7	1073,8	846,6

Figure 9: Processing of Organic Agricultural Products (2017–2019)

Source: Ministry of Agriculture

22 See <https://www.la.lv/patiesiba-nav-tadas-lietas-ka-leta-partika>

Control and Certification According to EU Guidelines, National Organic Legislation and Control Authorities

Organic farmers in Latvia work in accordance with and certification of agricultural enterprises is based on EU regulations:

- **Council Regulation (EC) No 834/2007 of 28 June 2007** (↪) on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91;
- **Commission Regulation (EC) No 889/2008 of 5 September 2008** (↪) laying down detailed rules for the implementation of Council Regulation (EC) No 834/2007 on organic production and labelling of organic products with regard to organic production, labelling and control (including amendments);
- **Commission Regulation (EC) No 1235/2008 of 8 December 2008** (↪) laying down detailed rules for implementation of Council Regulation (EC) No 834/2007 as regards the arrangements for imports of organic products from third countries (including amendments).

In addition to the EU regulations, there are also national rules:

- **Cabinet Regulation No 485 of 26 May 2009 Procedure for the Supervision and Control of Organic Farming** (↪). The Regulation stipulates the national certification procedure for organic farming, the obligations and rights of certified companies, the possibilities of obtaining various special permits, national derogations, and the procedure for product labelling. Appendices include various report and application forms;
- **Cabinet Regulation No 1204 of 20 October 2009 Procedures for the Circulation of Animal Products and Products Derived Therefrom, which are not Regulated by Directly Applicable Legal Acts of the European Union Regarding Organic Farming** (↪). The Regulation prescribes the procedures for the circulation of deer, rabbits, wild boar, mouflon, snails, earth worms, ostriches, pheasants, pigeons, quails and products derived there from, which from, which are not regulated by directly applicable EU legislation on organic farming.

Cabinet Regulation No 485 Procedure for the Supervision and Control of Organic Farming specifies that the supervising authorities for organic farming in Latvia are Food and Veterinary Service and State Plant Protection Service.

The Supervising Authorities for Organic Farming in Latvia are:

Food and Veterinary Service



Food and Veterinary Service – the aim of the Service, in accordance with the competence specified in regulatory enactments, is to ensure qualified and effective surveillance and circulation of innocuous and safe food, animal feed, animal by-products (not suitable for human consumption) and veterinary medicinal products, as well as guarantee compliance with the requirements of animal health and safety, welfare, breeding, non-food safety and phytosanitary border control.

In the field of organic farming, the Service is responsible for maintaining a database of operators subject to organic farming monitoring. The Service verifies and monitors supervising authorities and annually inspects up to five percent of the operators subject to the control in compliance with operator risk assessments. Evaluates the possibility of reducing the length of the transition period for organic farming. The Service is also responsible for assessment of applications for permits stipulated in Regulation No 889/2008 and issuance of these permits.

www.pvd.gov.lv

State Plant Protection Service



State Plant Protection Service – the aim of the Service is to ensure sustainable use, protection and monitoring of crop and forest resources in order to preserve their biodiversity, improve the quality of agricultural products, promote public safety and protect the environment from possible pollution caused by phyto-pharmaceutical substances and fertilizers, as well as increase productivity and the competitiveness of agriculture in the market.

In the field of organic farming, the Service is responsible for maintenance of an electronic database of organically produced seeds and vegetative propagating material. Another objective is issuance of permits for the use of seeds and vegetative propagating materials, which were not produced using organic production methods, in organic production. The Service also evaluates and registers fertilizers and phyto-pharmaceutical substances verified for use in the organic farming system.

www.vaad.gov.lv

Certification Bodies of Organic Farming are:

Certification Institution Vides kvalitāte



Certification Institution **Vides kvalitāte** subordinate to the Association **Environmental Quality** – the certification institution **Vides kvalitāte** was founded on November 23, 2000. The objectives of the Institution are to assess the compliance of companies in accordance with regulations in organic production, processing, forestry and the timber supply chain.

www.videskvalitate.lv

Sertifikācijas un testēšanas centrs Ltd



Sertifikācijas un testēšanas centrs Ltd – the State **Sertifikācijas un testēšanas centrs Ltd** was established on August 4, 2004, but in 2019, after the sale of state capital shares, the status of the company was changed to Ltd. The company offers a wide range of services – testing and certification of different types of equipment, work environment measurements, tractor machinery testing, inspections of milk measuring devices and water meters, sprayer inspections, tractor type verification, transformation of tractor machinery and trailers, as well as certification of organic agricultural enterprises both in Latvia and in third countries. A training centre has also been established, where those interested can participate in various seminars and also take a 160-hour course **Organic Farming**.

www.stc.lv

Institutions, Organizations and Stakeholders in the Organic Sector

The Ministry of Agriculture of the Republic of Latvia



The Ministry of Agriculture of the Republic of Latvia – the main objective of which is the formation and implementation of development policies for agriculture, including organic farming, forestry, fisheries and rural areas of the Republic of Latvia. In regard to organic farming, this institution is responsible for drafting regulatory enactments, updating and supplementing laws and regulations, and designating responsible supervising authorities in accordance with the requirements of the law. The Ministry of Agriculture manages several institutions responsible for monitoring of the organic farming sector – the Agricultural Data Centre, the Rural Support Service, the Food and Veterinary Service, as well as the State Plant Protection Service.

www.zm.gov.lv

Agricultural Data Centre



Agricultural Data Centre – the aim is to provide the country with a unified information system **Agricultural Data Centre Information System** in the agricultural and fisheries sector, implementing unified, simplified and flexible monitoring and traceability. The unified information system stores and updates information on various agricultural statistics, including organic farming and livestock farming statistics, organic farm operators and their products.

www.ldc.gov.lv

Latvian Rural Advisory and Training Centre (LLKC)



Latvian Rural Advisory and Training Centre the leading agricultural and rural business consulting service in Latvia with offices in 26 cities. Farmers can get advice on crop production, livestock farming, organic farming, forestry, fisheries, business, accounting and fundraising. The centre also operates in the field of education providing farmers with an opportunity to participate in different educational events – informative seminars, professional development courses of various durations, experience exchange trips, and rural festivals. A distance learning platform has been set up where farmers can take part in a 160-hour professional development education program **Organic Farming and Basics of Agriculture**.

www.llkc.vc

Latvia University of Life Sciences and Technologies (LLU)



Latvia University of Life Sciences and Technologies – at the Faculty of Agriculture, students have an opportunity to take a course on organic farming. Under the supervision of the University, a Centre for Lifelong Education has been established, where anyone interested can take various educational courses. Here, farmers can also take a professional development course **Organic Farming**. LLU scientists also successfully cooperate with companies working in the organic farming sector, for example, they have developed recipes and production technologies for **Lat Eko Food Ltd**, Bio vegetable purees **Rūdolfs** and developed recipes, as well as advised the producer of extruded cereal flakes **Milzu Ltd** on the implementation of technological process.

www.llu.lv

Institute of Agricultural Resources and Economics (AREI)



Institute of Agricultural Resources and Economics – a scientific institute under the supervision of the Latvia University of Life Sciences and Technologies. Topics related to organic farming are also identified as the priority research direction of the institute. AREI researchers carry out local and international scientific projects in agriculture of different scales. Examples include research into crop genetics and selection for an integrated and organic farming system, research into innovative crop and legume maintenance technologies to carry out pesticide-free weed control. The results of the research are available on the website, giving farmers an opportunity to expand their knowledge and improve their farming methods.

www.arei.lv

LLU Institute of Plant Protection Research Agrihorts



LLU Institute of Plant Protection Research **Agrihorts** – the institute carries out research within the framework of state-funded projects and international research projects, actively cooperates with farmers, looking for solutions to control harmful organisms in various crops. One of the tasks of the institute is research and monitoring of harmful organisms in integrated and organic farming. Information about current and completed projects and the insights from them are available on the website.

www.agrihorts.llu.lv

Institute of Horticulture



Institute of Horticulture – the Institute carries out research in fruit and vegetable growing. Research directions also include the organic farming system, for example, one of the research directions is the development of cultivation technologies for organic and integrated cultivation in the region for new, promising vegetable species.

www.darzkopibasinstituts.lv

Association of Latvian Organic Agriculture (LBLA)



Association of Latvian Organic Agriculture – a professional organization that unites those working in the field of organic farming and those supporting this type of farming. LBLA is a member of the Latvian Agricultural Organization Cooperation Council, takes part in the Advisory Council of Agricultural Non-Governmental Organisations of the Ministry of Agriculture and the Environmental Advisory Council of the Ministry of Environmental Protection and Regional Development, and is a member of the international organization IFOAM Organics Europe. The main goals of the association are:

- develop the organic farming policy;
- develop trading policy and find market opportunities for organic products;
- create an education system for organic farmers and provide them with opportunities to supplement their knowledge;
- inform the public about the importance of natural products in a healthy diet.

www.lbla.lv

Cooperative Society BIO Berries Latvia



Cooperative Association BIO Berries Latvia – founded on February 5, 2019. Currently 21 organic blackcurrant growers are involved in the organisation. It was established with the aim of forming secure sales channels for frozen berries in export markets.

www.bioberrieslatvia.com

Rural Support Service (RSS)



Lauku atbalsta dienests

Rural Support Service – an institution subordinate to the Ministry of Agriculture, which is responsible for a unified implementation of the state and EU support policy. Administers EU and state support for rural areas, agriculture, forestry and fisheries – accepts and evaluates applications for support, takes a decision on granting or refusal of funding, takes a decision on the payment or refusal of support and takes registration of paid out support and use control and keeps records of support payments and provides supervision of their application/usage.

www.lad.gov.lv

State Financial Support

The Rural Development Programme is a national level planning document, which determines support for the agricultural sector. Currently, the new Common Agricultural Policy for 2021–2027 is being developed, however, due to the fact that the adoption of regulatory enactments has been delayed, years 2021 and 2022 have been set as transition years, during which the previous Rural Development Programs for 2014–2020 will be continued using the financial support designated as transitional funding. It is expected that in two years the area of organic farming will increase to 305,000 ha. After 2023, the planned support for organic farming is set to be 20.6 % of the total rural development funding.²³

Currently, it is possible to receive the following subsidies for organic farming:

- 1 For a land area occupied by permanent grassland, arable land area occupied by grasses or fodder grass mixture, fallow land area, as well as an arable land area occupied by grasses or legume mixture in which legumes occupy more than 50 % of the area, farmers may receive financial support of 97 EUR/ha.
- 2 For an arable land area occupied by field crops and other crops, grasses, legumes and nectar plants farmers may receive financial support of 117 EUR/ha.
- 3 For a land area occupied by vegetables (excluding potatoes) farmers may receive financial support of 399 EUR/ha.
- 4 For a land area occupied by potatoes, including starch potatoes farmers may receive financial support of 397 EUR/ha.
- 5 For a land area occupied by fruit trees, berry bushes and perennial plantations from which edible fruit is obtained farmers may receive financial support of 485 EUR/ha.
- 6 Financial support for managing one bee colony is 40 EUR.

In order to promote high-quality production, processing and reprocessing of food, ensuring that the product reaches the retail trade, support for participation in the organic farming scheme has been established. Applicants who produce organic food and whose final products are in retail or are delivered directly to the fi-

nal consumer are eligible for this support. The support may be granted to the primary producer (farm) or processing establishment. The amount of support depends on the number of organically certified primary products. If the applicant produces one primary product, the support is 110 euros, if there are two primary products, then the support is 120 euros. If the applicant produces more than two products, then 10 more euros are granted for each subsequent product, not exceeding 160 euros. A processing establishment, on the other hand, may receive support in the amount of 600 euros for the production of one organically certified processed product, and 850 euros for two products. If the quantity of processed products exceeds three, the amount of support is increased by EUR 250, but does not exceed EUR 2350 per beneficiary.

In addition to subsidies, farmers can apply for support granted for contribution to farm development and processing, receiving additional points for organic farming in the project evaluation stage, as well as participate in knowledge and experience exchange activities.

²³ See <https://www.zm.gov.lv/zemkopibas-ministrija/presei/nozimigs-atbalsts-biologiskajai-lauksaimniecibai-ari-sogad-unturpmaka?id=12184>

The Organic Market

Status and Development of Sales of Organically Produced Food

According to FiBL, in 2017, the retail turnover of organic food reached 51 million euros or 1.5 % of the total food retail turnover.²⁴ Over the last few years, the market for organic products has been growing, however, more recent official data on the size of the organic product market in Latvia are not available. The main reason why consumers prefer regular food over organic food is that organic food is pricier. However, a consumer survey found that almost 90 % of respondents were concerned about the presence of pesticides in their food and 65 % were concerned about the impact of food production on the environment.²⁵ Hence it is expected that, if welfare in Latvia improves, the demand for organic food will increase.

Marketing Channels and Structures of the Organic Market

Although there is no official data or studies on this topic, industry experts claim that supermarkets are the main sales channel for packaged organic food with a longer shelf life, while fresh, local food is usually bought via other sales channels – directly from the farm or at markets.

Direct Marketing

Weekly markets and seasonal markets (fairs), where you can buy goods from local farms are quite popular in Latvia. The products of local organic farms are most widely represented at the **Kalnciema Street market** in Riga and at the **Straupe Farmers' Market** in Straupe, as well as in **Mūsu bio tirgus** in Sigulda. Fairs are another popular place to buy organic farm goods. In these markets you can buy fresh, seasonal products – fruit and

berries, meat, bread, dairy products, honey, etc.

Two websites www.novadagarsa.lv (↪) and www.bioloģiski.lv (↪) have a catalogue in which one may find organic farms and their products. These websites have been created to make local products more accessible.

Among the alternative food distribution chains, it is important to mention Direct-to-Consumer groups in Latvia, which are derived from the Community Supported Agriculture movement. The first Direct-to-Consumer group was created in 2010, when several families united in an informal organization to organize direct deliveries from organic farmers to supply themselves with organic food. At that time, the availability of organic products in supermarkets and specialist shops was limited and, in addition, these products had a significant mark-up. There are currently around 20 Direct-to-Consumer groups, which include 400 households. Each group regularly (once a week) orders food from about 20 organic farms. The range of products is wide including seasonal vegetables and fruits, canned food, dairy products, meat products, eggs, spices and herbs, flour products, etc. For many farmers Direct-to-Consumer groups are an important sales channel, while for the families involved in these groups, they are an important place to buy food.

Info

Online-Catalogues with organic farms

– Novada Garša

www.novadagarsa.lv

– Bioloģiski.lv

www.bioloģiski.lv

24 See <https://www.fibl.org/fileadmin/documents/shop/1150-organic-world-2021.pdf>

25 See http://www.bscresearch.lv/uploads/files/SINFO_aptauja_p%C4%81rskats_07052020.pdf



Figure 10: Organic Honey Products at Kalnciema Street Market
Source: LBLA

Natural Food Trade

In every city of Latvia, there is at least one natural food store, which sells locally sourced and imported organic products. The first eco-store **Biotēka**, which offered imported organic food, eco-cosmetics and eco-household goods in Latvia, was opened in Riga in 2004. Now there are 11 Biotēka stores in Riga, including a zero-waste shop **Zeroveikals** and an online store (↪). In 2020, the turnover of Biotēka stores reached 3.6 million.

There are also a number of online grocery shops that offer seasonal products with home delivery mainly from local farms and processors, including organic producers. The most popular in this field is the company **Svaigi Ltd**. On their website (↪) you can purchase products with home delivery. Last year, due to the pandemic, the company's turnover increased by 40 %, reaching 605,000 euros. The share of organic products in the total sales is unknown.

Conventional Grocery Retail

Organic products are also widely available in supermarkets, which is the most popular place to buy food. In the largest supermarket chains organic products are placed on special shelves and their organic origin is highlighted on the price tag. The greatest availability of organic products is in the capital Riga. In supermarkets, most organic products are available in the following categories – baby food, dairy products, grain products, oils, nuts, sauces. Both locally sourced and imported products are sold.

The product range in the stores of the largest supermarket chain **Rimi Latvija** includes more than 600 organic products, one third of which is baby food, 10 % are cereal products, as well as oils and spices, followed by canned food, vegetables, beverages and other products. In response to the demand for organic products, the range of Rimi owned label **I love Eco** has doubled in the last two years. In 2019, compared to the previous year, the demand for organic eggs has increased by 95 %, for meat by 40 %. Sales of organic wine have also increased by 35 %. Overall, the demand for organic products in Rimi stores during this year has grown by 10 %. Rimi customer surveys show that 61 % of customers care whether the product is organic.²⁶

In the second largest supermarket chain **Maxima**, the most demanded organic products are baby food, their share in the total range of baby food is 45 %. Local organic products are represented the most in the dairy segment – 86 % of organic dairy products are of local origin.²⁷ Demand for fruit and vegetables is also growing. Most frequently bought organic products are greens,

Info

Eco-stores

– Biotēka

<https://bioteka.lv/lv/>

– Zeroveikals

<https://bioteka.lv/lv/zeroveikals/>

Online grocery shops

– Svaigi Ltd

www.svaigi.lv

Supermarket chains

– Rimi Latvija

<https://www.rimi.lv/>

– Maxima

<https://www.maxima.lv/>

26 See <https://www.la.lv/rimi-veikalos-strauji-audzis-pieprasijums-pec-ekologiskiem-produktiem>

27 See <https://www.la.lv/avien-vairak-izvelamies-biologisko-partiku-ko-tas-nozime-musu-lauksaimniekiem?fbclid=IwAR1XjLmmj0ryyuaQs3f60LJvp60rIHS5-bKXRMu9R7xPsR9RhWdej4yoKqU>

mushrooms, tomatoes, cucumbers, bananas and avocados. Organic products are “price-sensitive”. During the pandemic, for instance, the demand for organic products in the Maxima grocery store chain has decreased due to their higher price. Regular customer surveys conducted by Maxima show that organic food is usually bought by 10–15 % of customers.

Import and Export of Organic Products

At least half of Latvia's organic agricultural products are exported, however they are not always sold with organic label. According to the data collected in 2017, the total value of organic products exported from Latvia is 45 million euros.²⁸ The main export products are dairy products, cattle and grains. 99 % of calves raised on organic farms are exported. The main export markets, especially for grain, are European countries, especially Germany to which Latvia exports the most. Organic dairy products have the potential to become important export products, as not all organic milk produced in Latvia is sold as organic on the local market. The milk processing company JSC **Tukuma piens**, which during the last 10 years has invested almost 10 million euro in the organic dairy processing line, sees the potential for increased sales in the export markets. Organic honey is also an important export product.

The largest exporters of organic products are processing establishments such as JSC **Preiļu siers** (dairy products), JSC **Aloja Starkelsen** (potato starch), JSC **Dobeles dzirnavnieks** (cereal products), JSC **Tukuma piens** (dairy products) and **Lat Eko Food** Ltd (baby food). The company JSC Aloja Starkelsen processes potatoes produced in Latvia into potato starch and is a world leader in the production of organic potato starch. Because in recent years local farmers have been cooperating, the export of organic berries has also increased, especially for blackcurrants and sea buckthorn.

More and more local processing establishments are investing into launches of new, innovative products for export markets, such as pea and bean flour. This year, the processing establishment JSC **Dobeles dzirnavnieks** has opened a new organic grain processing infrastructure worth 22.7 million euros. The capacity of the organic production unit will be around 50,000 tonnes per year, which is one of the highest in the EU. The company plans to export 95 % of its organic cereal flakes.

Official data on the amount of imported organic products is not available.

Forecast

The development of Latvian organic farming can be split into three stages. During the first stage from 1990 to 2000 farmers were in charge of the development of organic farming. During the second stage – from 2001 to 2010 – organic farming was growing due to the available EU support. After 2010, however, the development of organic farming has been determined by the demand of local and external markets as well as the involvement of processing establishments in the production of organic processed products. The most problematic is the organic livestock sector, where the market trends are not clear, hence a good strategy and state support are crucial for the development of this sector. On the other hand, the investments made in recent years towards processing of organic products allow us to predict that the organic crop farming sector in particular will develop even more. The procurement of organic food through public procurement channels will also promote the vegetable and fruit production. Small, lifestyle farms will focus more on offering quality products through direct sales. Therefore, it is expected that by 2027 Latvia will have successfully achieved the goal set by the Ministry of Agriculture, and at least 20 % of agricultural land or 398 thousand ha will be used in organic farming, moving towards the EU Green Deal goal of 25 % by 2030.

Info

The largest exporters of organic products

– Preiļu siers

<http://www.preilusiers.lv/>

– Aloja Starkelsen

<https://www.aloja-starkelsen.lv/>

– Dobeles dzirnavnieks

<https://dzirnavnieks.lv/>

– Tukuma piens

<https://baltais.lv/>

– Lat Eko Food

<http://www.latekofood.lv/>

²⁸ See <https://www.fibl.org/fileadmin/documents/shop/1150-organic-world-2021.pdf>

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Ministry of Agriculture

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