

ORGANIC FARMING

A GLOBAL PERSPECTIVE

Icfai Books An Introduction

Edited by
Subir Ghosh

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Editor: Subir Ghosh

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OVERVIEW

Generally, farmers undertake intensive cultivation with the help of fertilizers, pesticides and other inputs to meet increasing demand for foodgrains. Though these inputs help apparently increase farm yield, it contaminates soil, water and environment by which environment gets polluted and ecological balance gets disturbed. As these inputs decrease the soil fertility, in long run it will reduce farm production, resulting in difficulty to meet the demand for foodgrains for the mass population. On the other hand, health hazards caused by agrochemicals are becoming a crucial problem for maintaining healthy life. Therefore, farmers are in a mind of shifting to such type of cultivation which will maintain both ecological balance and meet the demand for foodgrain. Organic farming is one such method. Organic farming is a method of farming that requires farmers to operate a system based on ecological principles and which imposes strict limitations on the inputs that can be used in order to minimize damage to the environment and wildlife. Emphasis is given on natural methods of production and pest control. Therefore, organic farming

has become an important segment in the agricultural sector of many countries. Organic agriculture has developed rapidly worldwide during the last few years and is now practised in approximately 120 countries. The total area of land that was organically managed, either fully organic or in-conversion, fell by 8.1 percent between January, 2005, and January, 2006, to 619,000 hectares, having peaked in March, 2003, at 741,000 hectares following several years of notable increases. The late 1990s and early 2000s saw increase in the area of organically managed land for various reasons. Significant factors operating during this period were: farmers seeking alternatives to conventional farming in response to the decrease in farm incomes, the scope of organic farming being extended by the European Union to include livestock production in July, 1999, and payment rates under organic farming support schemes being substantially increased. The market for organic products is also growing rapidly not only in Europe and North America (which are the major markets), but also in many other countries, including several developing countries.

According to Food and Agriculture Organization (1999), "Organic agriculture is holistic production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles and social biological activity. It emphasizes the use of management practices in preference to the use of off-farm inputs, taking into account that regional conditions require locally adapted systems. This is accomplished by using, where possible, agronomic, biological and mechanical methods, as opposed to using synthetic materials, to fulfil any specific function within the system". Organic production systems are based on specific and precise standards of production which aim at achieving optimal agro-ecosystems which are socially, ecologically and economically sustainable. Therefore, the theme and focus of the present book is to highlight the socially, ecologically and economically viable production system through organic farming. The experiences of organic farming in cross country perspective have also been focused in this book.

The book is structured into the following two sections:

Section I **Perspectives** provides concept, need and implications of organic farming.

Section II **Initiatives and Challenges** presents different country experiences for socially, ecologically and economically viable production system through organic farming.

The first article "Organic Farming: An Introduction", by *Subir Ghosh* gives an overview of organic farming. Organic farming is a system that depends upon ecosystem management rather than agricultural inputs. It protects the environmental and community impact by excluding synthetic fertilizers and pesticides and genetically modified organisms. These inputs are replaced with accurate management practices by taking into account the regional conditions to boost soil fertility and prevent pest and diseases in the long run. Therefore, this article discusses the concept, benefits and future of organic farming in the world. It also includes a cross country analysis in the context of adaptability of organic farming. Finally, it suggests various policy measures to implement organic farming in agricultural practices.

The second article "Organic Farming Worldwide 2007: Overview and Main Statistics" by *Minou Youssefi* and *Helga Willer* shows the status of organic farming world wide. Organic agriculture has developed rapidly during the last few years and is now practised in approximately 120 countries. According to the latest survey, more than 31 million hectares are currently managed organically by at least 623174 farms worldwide. The market for organic products is also growing, not only in Europe and North America, but also in many other countries, including several developing countries. Currently, the countries with the greatest organic areas are Australia (12.1 million hectares), China (3.5 million hectares) and Argentina (2.8 million hectares). The percentages, however, are the highest in Europe. In total, Oceania holds 39 percent of the world's organic land, followed by Europe (21 percent) and Latin America (20 percent).

The proportion of organically compared to conventionally, managed land, however, is the highest in Europe. Latin America has the greatest total number of organic farms.

The third article "Organic Farming *vis-à-vis* Human Health and Environment" by *Y V Singh* and *Dinesh Kumar* examines the impact of organic farming on human health and environment. Organic farming helps in the improvement of crop quality and reduces environmental pollution. Organic agriculture seems to be a viable alternative because it enlivens the soil, strengthens the natural resource base and sustains biological production at different levels. It brightens the prospects of export of organic food items. Export market can also be tapped by the prospective farmers by growing organic crops. If organic agriculture is given the consideration on its merits, it has the potential to transform agriculture into the main tool for nature conservation.

The fourth article "The Influence of Market and Agricultural Policy Signals on the Level of Organic Farming" by *Sarah Ann Wheeler* shows the extent of marketing and agricultural policy signals on organic farming. Over the last few decades, organic farming has moved from a form of agriculture on the fringe of society to a situation where its products are now stocked in many super markets around the world. This paper aims at analyzing the relationship of market signals and agricultural policy signals on the level of organic farming, with a cross-country analysis in two key years – 1990 and 2001. Evidence is provided of the key importance of public organic agricultural extension support, organic agricultural research and development (R&D), the availability of marketing and sales outlets for organic produce and countries' environmental regulations in positively driving the adoption of organic agriculture by farmers. The analysis of this study shows that both market and agricultural policy signals played very important roles in influencing the level of organic farming though agricultural policy signals seem to be more important.

The fifth article "Organic Farming: Empowering Farmers" by *N Janardhan Rao* talks as to how organic farming can empower farmers to shift from conventional farming to organic farming. Organic farming is the need of the hour for sustainability of agriculture amidst growing health consciousness and environmental concern. Organic farming provides employment opportunities to rural people through replacement of costly chemical inputs with composting, weeding and intercropping. Organic farming is being practised in most of the countries and its share in agricultural land and farming is also steadily increasing. Organic farming also symbolizes a newfangled opportunity for small farmers who lack the resources (fertilizers and pesticides) to do conventional farming. Organic farming empowers the farmer through the provision of employment opportunities and augments income.

The sixth article "Accreditation and Certification on Organic Farming" by *N C Sarkar, A K Makar* and *Amitava Rakshit* expresses how accreditation and certification bodies help organic farming maintain economic viability and environmental sustainability. Organic standards have long been used worldwide to aim at growing of chemical-free healthy foods. In early days of cultivation, people used to grow crops with the organic resources available in the forest areas. As early as the 1970s, private association created standards against which organic producers could voluntarily have themselves certified. International Federation of Organic Agriculture Movements (IFOAM) in 1972 defined the organic agriculture based upon the Principles of Organic Agriculture and the IFOAM norms. IFOAM has empowered IFOAM basic standards and accreditation criteria to develop the state of art for organic production and processing.

The seventh article "Organic Dairy Farming in Norway Under the 100% Organically Produced Feed Requirement" by *Ola Flaten* and *Gudbrand Lien* shows the potential of organic feed on organic dairy system. The EU regulation governing organic production will require 100% organic feed in organic dairy systems from August, 2005, compared with 85% in Norway. Currently, the maximum

percentage of conventional feedstuffs authorized per year is 10% in the case of herbivores (15% in Norway) and 20% for other species. The requirement for 100% organic feed will potentially have the greatest impact on organic dairy systems. This study aimed at assessing adjustments in resource use and financial impacts on organic dairy herds. The profitability varies according to the farm conditions (e.g., farm resources, climate, managerial ability etc.), the market situation for feed, milk and meat and the public payment system.

The eighth article, "Policies Supporting Organic Farming and Food Markets in the EU" by *Daniela Vairo, Anna Maria Häring, Stephan Dabbert* and *Raffaele Zanoli* shows the importance of organic farming and food market policies in European Union. This article contributes to the development of organic food and farming policy in Europe by assessing the existing agricultural policies and their impact on organic food and farming sector together with the most stakeholders of the organic farming sector in the European Union. Therefore, this article presents:

- a novel methodological approach of stakeholder involvement designed as to contribute to a scientifically based formulation of policy recommendations, and
- the results from a large international effort which has applied this methodology in order to develop policies supporting the development of the organic food sector at the member-state and EU level.

It also identifies strengths, weaknesses, opportunities and threats (SWOT) of policies related to organic food market.

The ninth article "Sizing Up Organic Farming in Mexico" by *Don Lotter* discusses demand for organic product and its coverage (production in area) in Mexico. Demand for organics in Mexico is tiny: 98 percent of the country's certified organic production is exported. The majority of consumers do not even know what the term "organic food" means. In 2000, Mexico had over 1,00,000

hectares of certified organic land, placing it 16th in the world and fifth in Latin America. Mexico's organic sector grew at a rate of 45 percent per year from 1996 to 2000, over twice the rate of the United States organic sector.

The tenth article "US Organic Agriculture" by *Catherine Greene* shows the extent of organic agriculture in the United States. Farmers have been developing organic farming systems in the United States since the 1940s, and organic markets have emerged and expanded greatly since then. An increasing number of US farmers are adopting these systems in order to lower input costs, conserve non-renewable resources, capture high-value markets and boost farm income. Consumer demand for organically produced goods has risen for over a decade, providing market incentives for US farmers across a broad range of products. Organic products are now available in nearly 20,000 natural food stores and nearly 3 of 4 conventional grocery stores. Organic sales account for approximately 2 percent of total US food sales, according to recent industry statistics.

The eleventh article "Organic Farming: An African Experience" by *Subir Ghosh* focuses on the status of organic farming in Africa and examines the impact of organic farming on the development of Africa's economy. In Africa mainly, two types of organic farming are practised – certified organic production and non-certified or agro-ecological farming. Organic agriculture is showing itself to be a viable sustainable development option for Africa. Adopting organic agriculture does not mean a return to some form of low technology, backward or traditional agriculture – but involves pursuing a blend of innovations originating from a participatory intervention involving scientists and farmers. The organic farming system emphasizes management (M) over technology (T) and biological relations (BR) and natural processes (NP) over chemically intensive methods (CIM) (IFOAM, 2004). There is undoubtedly room for a substantial increase in certified organic production in Africa, and smallholders engaged in it often derive significant benefits, improving their incomes as a result. Therefore, the International

Federation of Organic Agriculture Movements (IFOAM) established the Africa Organic Service Centre (AOSC) in 2004 to help the growth of organic agriculture on the continent.

The twelfth article “Organic Farming: Its Relevance to the Indian Context” by *P Ramesh, Mohan Singh and A Subba Rao* shows the relevance of organic farming in Indian economy. Organic agriculture is one among the broad spectrum of production methods that is supportive of the environment. Increasing consciousness about conservation of environment as well as health hazards associated with agrochemicals and consumers’ preference to safe and hazard-free food are the major factors that lead to the growing interest in alternative forms of agriculture like organic agriculture in the world. The demand for organic food is steadily increasing both in developed and developing countries with an annual average growth rate of 20-25%. Organic agriculture, without doubt, is one of the fastest-growing sectors of farm production. In India, vast stretches of arable land, which is mainly rain-fed and found in the northeastern region where negligible amount of fertilizers and pesticides are being used, and which has low productivity, could be exploited as potential areas for organic agriculture. Now the question arises:

- Whether organic produce enough to mitigate food demand for society?
- Is organic farming economically viable?
- Is it possible to manage pests and diseases in organic farming?

Therefore in this article, a brief review on the above mentioned aspects of organic farming has been presented.

The thirteenth and last article “Organic Farming in India: A Fad or Environmental Necessity?” by *Harsh Bhargava* and *S Rangarajan* mainly focuses on problems like the consequences of organic farming and four common myths associated with organic farming. This paper also analyzes the impact of organic farming on sustainability issues concerning ecological, social and economic

balance. Further, the authors assess the global perspective, including land area in different countries across the globe under organic management. The paper also brings out the reasons for cost disadvantage in organic farming and the methods to overcome this problem. In this context, this study shows the international market opportunities for organic food products. Compared to other developed countries, the contribution of organic farming in India is less because of people’s unawareness about the benefits of marketing organic foods.

Organic Farming Worldwide 2007

Overview and Main Statistics*

Minou Youssefi and Helga Willer

Organic agriculture has developed rapidly worldwide during the last few years and is now practiced in approximately 120 countries around the world. According to the latest survey, more than 31 million hectares are currently managed organically by at least 623,174 farms worldwide. The market for organic products is also growing, not only in Europe and North America, but also in many other countries, including several developing countries. This article gives an overview of organic farming worldwide.

The Foundation Ecology & Agriculture SOEL and the Research Institute of Organic Agriculture FiBL have collected data about organic farming worldwide every year since 1999. Since the publication of the 2003 results, IFOAM has collaborated in the project. In an annual yearbook, the data are published together with articles from experts on the development of organic farming in the continents and on other issues related to the global development of organic farming.

* This is chapter 3 in 2007 edition of the global yearbook on organic farming.

Source: *Organic Farming Worldwide 2007: Overview & Main Statistics*. In: *Willer/Youssefi (Eds.): The World of Organic Agriculture - Statistics and Emerging Trends 2007. International Federation of Organic Agriculture Movements (IFOAM), DE-Bonn and Research Institute of Organic Agriculture FiBL, CH-Frick*. © Minou Youssefi and Helga Willer. Reprinted with permission.

This chapter summarizes the most important facts of the 2007 edition.

Recent Statistics

Organic agriculture is developing rapidly and is now practiced in more than 120 countries around the world. Its share of agricultural land and farms continues to grow in many countries. Furthermore, it can reasonably be assumed that uncertified organic farming is practiced in even more countries.

According to the latest survey on organic farming worldwide, almost 31 million hectares are currently managed organically by at least 633,891 farms. This constitutes 0.7 percent of the agricultural land of the countries covered by the survey (see chapter on the main results of the global organic survey 2007 and corresponding tables in the annex).

In total, Oceania holds 39 percent of the world's organic land, followed by Europe (23 percent) and Latin America (19 percent).

Currently, the countries with the greatest organic areas are Australia (11.8 million hectares), Argentina (3.1 million hectares), China (2.3 million hectares) and the US (1.6 million hectares). The number of farms and the proportion of organically compared to conventionally managed land, however, is highest in Europe.

There has been major growth of organic land in North America and in Europe; both continents have, compared to the end 2004, half a million hectares more each. In North America, this constitutes an increase of almost 30 percent, representing an exceptional growth. In most countries organic farming is on the rise; there have, however, also been decreases of organic land (extensive pastoral land) in China, Chile and Australia.

The global survey on organic agriculture also contains information on the main land uses and the importance of some crops in a global context. For 90 percent of the organic land, at least some information on its uses was available. Data, though still quite incomplete, show, for instance, that the number one country for organic citrus fruit production is Italy; that Mexico is the biggest organic coffee producer or that the Dominican Republic is a major producer of organic cocoa. The leaders in organic grape production are Italy, Spain and France. Italy, Spain and Tunisia have the largest areas of organic olives.

over 70 countries around the world have voluntarily submitted themselves to the IFOAM accreditation process. A recent development is the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF) aiming at a general consensus on harmonizing private with government and government with government standards/regulations (see chapter on certification and accreditation by Gerald Herrmann and Gunnar Rundgren).

Organic Agriculture by Continent

Africa

In Africa, organic production is rarely certified and for many countries new figures were not available. Nevertheless, organic farming is increasing in Africa, especially in southern countries. An important growth factor in Africa is the demand for organic products in industrialized countries. Another motivation is the maintenance and building of soil fertility on land threatened by degradation and erosion.

Especially in poorer countries, organic agriculture can contribute to meaningful socioeconomic and ecologically sustainable development. This is in part due to the application of organic principles, which translates into efficient management of local resources and, therefore, cost-effectiveness. Additionally, the market for organic products – at both the local and international level – has good prospects for growth and offers creative producers and exporters in the South excellent opportunities to improve their income and living conditions. Especially in the tropics, organic production reduces the risk of yield failure and stabilizes returns, thereby enhancing food security for small farmers' families. In the arid tropics, organically managed dry land soils have a greater potential for countering soil degradation and desertification, resilience to both water stress and nutrient loss are built into the system. (see chapter on sustainable development of Lukas Kilcher).

In Africa, almost 900,000 hectares are now managed and certified organic. With a few exceptions (notably Egypt and South Africa), the African market for organic produce is very small. This is due both to low-income levels and to an undeveloped infrastructure for inspection and certification. Most certified organic production in Africa is geared towards export markets, with the large majority being exported to the EU, Africa's largest market for agricultural produce.

There is a strong NGO interest in organic farming, because it is about making farming more sustainable and improving food security. There is also commercial interest in organics as it represents an interesting niche market with a significant earning potential. The interest from governments, however, lags behind. At present Tunisia is the only African country with its own organic (EU compatible) standards, certification and inspection system. Egypt and South Africa have both made significant progress in this direction, and Kenya, Uganda and Tanzania are soon to follow. Those countries are well on the way to developing standards and private certification organizations have been established there. Morocco, Ghana and Zambia have made some progress in developing their own standards (see chapter on Africa by Bo van Elzakker, Nicolas Parrott, Marjorie Chola Chonya, and Sam Adimado).

Asia

The total organic area in Asia is almost 2.9 million hectares, managed by almost 130,000 farms. For many countries there are still no precise figures available but some countries, in which data were not previously recorded, now have statistical information available.

The majority of activities and development in the region is occurring without market regulation and certification. Organic rules have already been established in a number of Asian countries, including India, Japan, Korea, Philippines, Taiwan and Thailand. Organic rules tend to be mandatory in importing countries and voluntary in exporting countries. Only Israel and now India have attained equivalency status with the EU regulation (see chapter on Asia by Ong Kung Wai).

Australia/Oceania

This area includes Australia and New Zealand as well as smaller countries like Fiji, Papua New Guinea, Tonga and Vanuatu. Altogether, more than 11.8 million hectares and 2,689 farms are under organic management here. Most of this area is pastoral land for low intensity grazing in Australia. Important products in Australia include grains, fruit and vegetables, which are produced all year around, wine, dairy products, beef and sheep (both meat and wool) and herbs.

In New Zealand, the main types of organic primary production are kiwifruit, apples, blueberries, fresh and processed vegetables, dairy, meat, viticulture, and aquaculture.

Growth in the organic industry in Australia has been strongly influenced by rapidly growing overseas demand. The key market for export of Australian organic products has changed over the years. In the early 2000s, it was Europe accounting for over 70 percent of Australian organic exports. Other countries such as Japan, US, Singapore and Hong Kong were emerging as promising future export markets for Australian produce. For beef in particular, the US is becoming an important export destination.

There is some government support to encourage organic agriculture per se. However, there are no subsidies for organic agriculture, neither in Australia nor in New Zealand. Australia has had national standards for organic and biodynamic products in place since 1992 and it is one of the countries on the third country list of the EU – as is New Zealand. While these standards are only enforced for export products, they have acted as an informal standard domestically, though the term 'organic' was not legally protected in the domestic market place. However, in 2006, Standards Australia agreed to adopt organic standards which, once in place, can then be used by authorities to enforce on the domestic market. In New Zealand a National Organic Standard was launched in 2003, underpinning the various certification schemes that already exist. Through the launch of the New Zealand Organic Sector Strategy, there is government acknowledgement of the importance of organics but still only limited government support.

While trends of rising consumer demand for organics are becoming discernible, the organic food market in Australia is still considered a niche market. On the domestic market, organic produce receives a substantial price premium over that of conventionally grown produce. Imported products are not only food and drinks, of which more than half is processed, primarily from New Zealand, the US and the UK. Increasingly non-edible items such as cotton and personal care products are imported (see chapter on Australia/Oceania by Els Wynen and Seager Mason).

Europe

Since the beginning of the 1990s, organic farming has rapidly developed in almost all European countries. As of the end of 2005, 6.9 million hectares in Europe were managed organically by almost 190,000 farms. In the EU, almost 6.3 million hectares are under organic management and there are almost 160,000 organic farms. This constitutes 3.9 percent of the agricultural area. The country with the highest number of farms and the largest organic area is Italy.

Compared to the previous survey (as of December 2004), organic land increased by almost 510,000 hectares (+8 percent) in Europe as a whole and by 490,000 hectares (+ 8.5 percent) in the EU. The increase in the EU is due to high growth rates in the new member states (for instance Lithuania and Poland) as well as substantial increases in Italy and Spain. Support for organic farming in the EU includes grants under the EU's rural development programs, legal protection under the recently revised EU's regulation on organic farming (since 1992) and the launch of the European Action Plan on Organic Food and Farming in June 2004. Countries that are not EU members have similar support.

The European market is estimated to be between 13 and 14 billion Euros (2005). The biggest market for organic products is Germany with an annual turnover of 3.9 billion Euros, followed by Italy (2.4 billion Euros) and by France (2.2 billion Euros). The highest market share of organic products of the total market is in Switzerland with 4.5 percent and the highest per capita consumption is also in that country with more than 100 Euros spent on organic food per year and citizen. Growth of the European market compared to the previous year is around 10 percent. Some countries are currently experiencing a shortage of supply (see chapter on organic farming in Europe by Helga Willer, Toralf Richter and Susanne Padel).

Latin America

In Latin America, many countries have more than 100,000 hectares of organic land, and having started from a comparatively low level, there have been extraordinary growth rates in the previous years. The total organically managed and certified area is now 5.8 million hectares. Almost all Latin American countries have an organic sector, though the level of development varies widely. The countries with the highest

proportion of organic land are Uruguay, Mexico and Argentina. A major part of the 3.1 million organic hectares in Argentina are extensive grassland.

In general, the organic movement in Latin America has grown through its own efforts. No government provides direct subsidies or economic aid for organic production. There are, however, exceptions:

In Brazil, the government issued an inter-ministerial Pro Organic Plan, officially stimulating organic production, research, association building, marketing and trade. In Bolivia, an action plan for the 'Promotion of the development of ecological production and establishment for a national control system' was recently launched. Costa Rica and some others have official funding for research and teaching; Argentina and Chile have had official export agencies helping producers attend international fairs and print product catalogues; and in Mexico there is a growing interest from national and state agencies. In places there has been seed funding for extension and association building from international aid agencies, especially from Germany, the Netherlands and Switzerland.

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

North America

In North America, almost 2.2 million hectares are managed organically, representing approximately a 0.6 percent share of the total agricultural area. Currently, the number of farms is about 12,000. Compared to the other continents North America had the highest growth of organic land: the organic land area increased by almost 30 percent.

With the US national rule in place, the organic sector has been able to provide a guarantee to consumers that those organic products using the new labeling mean that specific practices were followed. The US market has seen more and more organic products being introduced, the number of certification agencies accredited by USDA has grown, and talks are progressing to expedite international trade of organic products.

Since 1999, the Canadian industry has had a voluntary Canada Organic Standard that is not supported by regulation. The organic industry continues to devote its energies toward implementation of a mandatory national organic regulation to help expedite trade relations with such major trading partners as the US, EU, and Japan.

Valued at about 14.9 billion USD (11.5 billion Euros) in 2005, the North American market accounted for 45 percent of global revenues. A large increase in organic farmland and organic food production in the US could make it the largest exporter of organic products. Growing consumer demand for healthy and nutritious foods, and increasing distribution in conventional grocery channels are the major drivers of market growth (see chapter on organic farming in North America by Barbara Haumann).

Developments within IFOAM

For IFOAM, which unites the organic movement worldwide, 2006 proved to be another outstanding year.

Several important milestones were achieved, including: the establishment of the Organic Certification Body Forum that aims to increase cooperation and communication between certification bodies worldwide; the launch of a joint project to facilitate the development of East Africa Standards with the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Environment Program (UNEP); and a joint project with the International Fund of Development IFAD called 'Building Capacities on Certification of Organic Agriculture in the Pacific'.

IFOAM also organized three major international conferences in 2006 to offer a platform for interested and engaged people in the organic movement: the IFOAM International Conference on Organic Wild Production, the IFOAM International Conference on Animals in Organic Production and the IFOAM Conference on Organic Certification. Various other positive developments and events in 2006 have provided IFOAM with the confidence and energy to continue leading the organic movement.

A highlight in 2007 will be the international conference on organic agriculture and food security, to be held at the headquarters of the Food and Agriculture Organization of the United Nations (FAO) in Rome, Italy. The FAO invited IFOAM to organize this conference in collaboration with the World Wildlife Fund (WWF), the Third World Network (TWN) and the Rural Advancement Foundation International (RAFI).

IFOAM is confident that the current challenges will turn out to be opportunities for new developments, from which the whole organic industry, in all its different settings and diverse localities, can profit (see chapter 18 by Angela B. Caudle and Gabriele Holtmann).

(Minou Youssefi, Foundation Ecology and Agriculture SOEL, Weinstrasse Sued 51, 67098 Bad Duerkheim, Germany, www.soel.de

Dr. Helga Willer, Communication, Research Institute of Organic Agriculture FiBL, Ackerstrasse, 5070 Frick, www.fibl.org).

Global Organic Products Industry

– Subir Ghosh

Increasing health consciousness and growing environmental concerns of customers are expected to raise the global market for organic products. Global sales of organically produced foods are expected to touch \$23-25 billion in 2003 and \$29-31 billion by 2005.

Organic farming is practiced in around 120 countries throughout the Globe. Nearly 24 million hectares (59 million acres) are now under organic management. Australia is practicing with approximately 10 million hectares (24.6 million acres), followed by Argentina, approximately 3 million hectares (7.4 million acres); both have extensive grazing lands. Latin America has approximately 5.8 million hectares (14.3 million acres) under organic management. Europe has more than 5.5 million hectares (13.5 million acres), and North America has nearly 1.5 million hectares (3.7 million acres). Global Industry statistics show that retail sales will reach \$11-13 billion and an annual growth rate of 15-20 percent, which will make it the most attractive market for organic products. The European market, which was estimated at nearly \$9 billion in 2001, is expected to grow to \$10-11 billion by 2005. According to the report, there are many areas and farming communities in India that do not use chemicals and are, therefore, "organic by default". According to industry sources and FAO statistics, total organic production in India is around 14,000 tones, with rice, tea, fruits and vegetables, wheat and cotton accounting for more than 80 percent of the total production. Export sales were at 11,925 tonnes and are expected to double by 2007. The major export markets for India are Australia, Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Singapore, South Africa, West Asia, the UK and the US.

Continued growth of global organic food demand is predicted for the growth of global organic food industry. According to The Premium Business Information Source, the list of global organic industry is provided below.

Names	Country	Market Cap (US \$M)
Yanbu National Petrochemical Company	Saudi Arabia	7,687
Aracruz Celulose S.A.	Brazil (Sao Paulo)	7,463
Grasim Industries Ltd.	India (Bombay)	6,486
Sinopec Yizheng Chemical Fibre Company, Ltd.	China (Shanghai)	5,100
Sinochem International Co Ltd	China (Shanghai)	3,741
PTT Aromatics and Refining PLC	Thailand	3,590
Methanex Corporation	Canada (Toronto)	2,535
Tosoh Corporation	Japan (Tokyo)	2,102
Sidi Kerir Petrochemicals Co.	Egypt (Cairo & Alexandria)	1,997
Clariant AG	Switzerland (SWX Swiss Exchange)	1,909
Lenzing AG	Austria (Vienna)	1,881

Source: The Premium Business Information Source (www.alacrstore.com/industry-snapshot/Organic+Chemicals).

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