

Minou Youssefi and Helga Willer (Editors)

The World of Organic Agriculture 2003 - Statistics and Future Prospects

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Minou Youssefi and Helga Willer (Eds.)
The World of Organic Agriculture
Statistics and Future Prospects
2003

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1 Preface

Organic agriculture has rapidly developed world-wide during the last few years. Because of the large interest we herewith present the fifth edition of the study "Organic Agriculture Worldwide", from now on published under the name of "The World of Organic Agriculture", that aims at documenting recent developments in global organic farming.

Thanks are due Heike Slotta from NuernbergMesse, the organiser of BioFach, who financially supported the fifth edition of this study. We are also grateful to BioFach Consultant Christine Neidhardt as well as the former organisers Hubert Rottner and Hagen Sunder, who had originally asked us to compile the figures for this study and for assisting us with many useful hints and information.

This edition is produced for the first time as an IFOAM-publication, because SOEL discontinued its activities as a publisher. This will even increase the international circulation of and attention for this study. For this reason we renounce to continue producing this study in two languages. The web availability of the publication resulted already in the course of last year in more than 100,000 "visits". A lot of additional information (e.g. links, graphs etc.) are available from the internet: www.soel.de/oekolandbau/weltweit.html. Also, for this edition Minou Yussefi and Helga Willer have become editors of the survey as there are different authors for the various chapters.

We would like to thank all those who have collaborated with the publication of this study: Minou Yussefi, for collecting the data, compiling information and for the editorial work; Helga Willer for support with the editorial tasks. For the fifth edition we gratefully acknowledge the help of Mike Mitschke, intern at SOEL from October 2002 to February 2003, who compiled the most recent figures. We would also like to thank Barbara Haumann (OTA, USA), Gerald Herrmann (IFOAM, DE), Rudy Kortbech-Olesen (ITC, CH), Pipo Lernoud (IFOAM, AR), Seager Mason (Bio-Gro, NZ), Otto Schmid and Toralf Richter (FiBL, CH) and Charles Walaga (IFOAM, UG). We are also grateful to numerous individuals from all over the world, who helped us with valuable information and statistical material as well as Christina Westermayer for the technical editing and David Frost for proof-reading.

We would greatly appreciate the submission of comments or supplemental information to our survey.

Bad Duerkheim/Tholey-Theley, February 2003

Dr. Uli Zerger
SOEL-Director

Bernward Geier
Director for International Relations

2 Introduction

Minou Yussefi and Mike Mitschke¹

2.1 General Overview

In 1999, BioFach/Oekowelt GmbH commissioned Stiftung Oekologie & Landbau (SOEL, Foundation Ecology & Agriculture) to compile statistical data and general information on organic agriculture world-wide. For this edition the Research Institute of Organic Agriculture (FiBL) and the International Federation of Organic Agriculture Movements (IFOAM), also collaborated in this project.

For the fifth edition, February 2003, the reports were revised and the statistical material was up-dated.

The main findings of this compilation can be summarised as followed:

- Organic agriculture is practised in almost all countries of the world, and its share of agricultural land and farms is growing. The total organically managed area is more than 22 million hectares world-wide. In addition, the area of certified “wild harvested plants” is at least a further 10.7 million hectares, according to various certification bodies.
- The market for organic products is growing, not only in Europe and North America (which are the major markets) but also in many other countries, including many developing countries.
- Official interest in organic agriculture is emerging in many countries.

2.2 Methodology

In a survey undertaken between October and December 2002, experts from IFOAM member organisations, certification bodies and other institutions were asked to contribute statistics for the area and number of farms that are managed organically. Additionally, an internet search and a literature search were carried out (see chapter 2.3 Information Resources).

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

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For the fifth edition of this study the continent reports were written by a national author wherever it was possible. In two cases Minou Youssefi updated the information.

As long as state interest in organic agriculture is low, statistical information on organic agriculture rarely exists. In order to get a complete picture of the state of certified organic farming all over the world, a survey among all organic certifiers would need to be undertaken.

2.3 Information Resources

2.3.1 Institutions

International Federation of Organic Agriculture Movements (IFOAM)

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

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

The IFOAM homepage www.ifoam.org also provides useful information about organic farming world-wide.

Food and Agriculture Organisation (FAO)

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

In January 1999, the FAO committee on agriculture dealt with organic agriculture and highlighted its market potential (www.fao.org/WAICENT/FAOINFO/AGRICULT/magazine/9901sp3.htm). The report of this session includes some information on organic agriculture world-wide.

2.3.2 Studies and Handbooks

Food and Agriculture Organisation (FAO)

In 2002, FAO published the study “Organic Agriculture, Environment and Food Security”, a 250-page-survey on organic agriculture world-wide (statistics and background information). This was a very valuable source for our fifth edition. It is available for \$30 (US) from the Food and Agriculture Organisation of the United Nations (FAO), FAO-HQ@fao.org, www.fao.org/icatalog/inter-e.htm.

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

FiBL/Naturland/Sippo Handbooks

The Handbook «The Organic Market in Switzerland and the EU», published by the Swiss FiBL and Sippo offers market information for producers and international trading companies, organised both by product group and by country on 70 pages. In addition, the handbook provides an easily accessible overview of the – in some instances quite complicated – import requirements applicable in Switzerland and the EU. In a further 70-page appendix, the handbook contains official forms and an extensive collection of addresses (trading companies, authorities, certification bodies, organisations etc.) and internet websites. The handbook has been produced in separate German and English versions with identical content (price: CHF 55.- (Euro 40.-)).

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

The books are available at Forschungsinstitut für biologischen Landbau, Postfach, CH-5070 Frick, admin@fibl.ch

Greenpeace

In 2002, Greenpeace published the study “Organic and Agro-ecological farming in the Developing World”, written by Nicolas Parrot and Terry Marsden. This very interesting study provides extensive information on the current status of organic and, what the authors call, “agro-ecological” or non-certified organic agriculture. The situation of organic farming in the countries of Africa, Asia and Latin America is described. Further themes are the questions of productivity and sustainability, natural methods of enhancing soil fertility, controlling pests and diseases, markets, certification and politics. This study is available at www.greenpeace.org/multimedia/download/1/36088/0/realgreenrev.pdf and can also be ordered from the IFOAM Head Office.

International Trade Centre (ITC)

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

The 271-page study covers world market trends, and contains chapters on market requirements, distribution channels, market access and market opportunities in Denmark, France, Germany, Netherlands, Sweden, Switzerland and the United Kingdom.

The study is also a unique collection of information about the organic farming situation in almost every country of the world. It is available for \$65 (US) + Postage from ITC (Rudy Kortbech-Olesen, ITC Senior Market Development Adviser, Tel.: +41 22 730 0253; Fax: +41 22 733 8695; E-Mail: kortbech@intracen.org) and the IFOAM Head Office.

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

2.3.3 Magazines

Oekomarkt Forum

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

The Organic Standard

In 2000 "The Organic Standard", a magazine concerned with international certification was launched. "The Organic Standard" provides regular and up-to date information on issues regarding organic farming world-wide. It is published by the Swedish certifier "Grolink". A trial issue can be ordered via the internet at www.organicstandard.com.

2.3.4 Websites

FASonline

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

Organic Monitor

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

Organic Trade Services

The Organic Trade Services offer extensive trade information. They also have a news service covering international news about developments in the organic sector. The information is available at www.organictrade.com.

3 Development and State of Organic Agriculture World-wide

*Minou Yussefi*¹

Organic farming is practised in approximately 100 countries of the world and the area under organic management is continually growing. Also for some countries, where no statistical material was available, it may be assumed that organic agriculture methods are practised.

According to the SOEL-Survey (February 2003), almost 23 million hectares are managed organically world-wide. Currently, the major part of this area is located in Australia (10.5 million hectares), Argentina (3.2 million hectares) and Italy (more than 1.2 million hectares). The percentages, however, are highest in Europe (see tables 1 and 2, figures 1 and 2). Probably less than half of the global organic land area is dedicated to arable land, since in Australia and Argentina most of the organic land area is extensive grazing land. In these countries, large extensive livestock systems are very suitable for dry land conditions which are thus very common. The world's largest certified organic property (994,000 ha) is located in Australia (FAO 2002).

The increase of the organic land area – compared to the last edition of our survey – does not only result from an increasing interest in organic farming but also that we get access to different and even more data each time we update this study. Nevertheless, it can be said that organic farming is developing all over the world.

For the fifth edition we got figures for the area of certified “wild harvested plants” which is at least a further 10.7 million hectares, according to various certification bodies.

In Australia/Oceania about 10.6 million hectares and 2,400 farms are under organic management – this is the largest area in the world. In fact, most of this area is located in Australia and is pastoral land for low intensity grazing. However, Australia has to import organic products.

In the European Union (EU), including the twelve accession countries (Bulgaria, Estonia, Latvia, Lithuania, Malta, Poland, Romania, Slovenia, Slovakia, Czech Republic, Hungary, Cyprus) and the EFTA countries (Iceland, Liechtenstein, Norway, Switzerland) plus Turkey, Bosnia-Herzegovina, Croatia and Yugoslavia there are more than five million hectares under organic management, which corresponds to almost two percent of the total agricultural land. Organic

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agriculture is growing in all of these countries, and in some alpine regions percentages are reaching double digit figures.

In many Latin American countries the area of organic land is almost 0.5 percent, and – starting from a low level – growth rates are extraordinary. The total organically managed area is now 4.7 million hectares.

In North America more than 1.5 million hectares are managed organically, representing approximately a 0.25% share of the total agricultural area. Currently the number of farms is more than 45,000.

In most Asian countries the area under organic management is still very low, but organic agriculture is in progress as the area “in conversion” is increasing. For many countries no precise figures are available, but it may be assumed that no country has reached one percent yet. The total organic area in Asia is now almost 600,000 hectares.

Organic farming is increasing in Africa, especially in the southern countries. An important growth factor in Africa is the demand for organic products in the industrialised countries. Another motivation is the maintenance and building of soil fertility on land threatened by degradation and erosion. More than 200,000 hectares are now managed organically.

Oceania holds 46 percent of the world's organic land, followed by Europe (23 percent) and Latin America (21 percent) (see figure 3). The distribution of the area and farms under organic management for each continent is shown in figure 3 and figure 4.

The data below contains fully converted land as well as “in conversion” land area.

Table 1: Land Area Under Organic Management (SOEL-Survey, February 2003)

Country	Organic Hectares	Country	Organic Hectares
Australia	10,500,000	Dominican Rep.	14,963
Argentina	3,192,000	Guatemala	14,746
Italy	1,230,000	Morocco	11,956
USA	950,000	Costa Rica	8,974
United Kingdom	679,631	Cuba	8,495
Uruguay	678,481	Israel	7,000
Germany	632,165	Nicaragua	7,000
Spain	485,079	Lithuania	6,769
Canada	430,600	Zambia	5,688
France	419,750	Island	5,466
China	301,295	Ghana	5,453
Austria	285,500	Slovenia	5,280
Brazil	275,576	Russia	5,276
Chile	273,000	Tanzania	5,155
Czech Republic	218,114	Panama	5,111
Sweden	193,611	Japan	5,083
Denmark	174,600	El Salvador	4,900
Ukraine	164,449	Papua New Guinea	4,265
Finland	147,943	Thailand	3,429
Mexico	143,154	Cameroon	2,500
Uganda	122,000	Senegal	2,500
Hungary	105,000	Azerbaijan	2,500
Switzerland	102,999	Luxembourg	2,141
Peru	84,908	Pakistan	2,009
Portugal	70,857	Philippines	2,000
New Zealand	63,438	Belize	1,810
Paraguay	61,566	Honduras	1,769
Ecuador	60,000	Madagascar	1,230
Slovakia	58,706	Rep. of Korea	902
Turkey	57,001	Liechtenstein	690
South Africa	45,000	Bulgaria	500
Poland	44,886	Kenya	494
India	41,000	Guyana	425
Indonesia	40,000	Malawi	298
Netherlands	38,000	Lebanon	250
Greece	31,118	Suriname	250
Ireland	30,070	Jamaica	205
Colombia	30,000	Fiji	200
Norway	26,673	Mauritius	175
Belgium	22,410	Laos	150
Estland	20,141	Malaysia	131
Latvia	20,000	Croatia	120
Bolivia	19,634	Benin	81
Romania	18,690	Syria	74
Tunisia	18,255	Cyprus	52
Sri Lanka	15,215	Nepal	45
Yugoslavia	15,200	Zimbabwe	40
Egypt	15,000	Vietnam	2
		SUM	22,811,267

Table 2: Land Area Under Organic Management in Percent of Total Agricultural Area (SOEL-Survey, February 2003)

Country	% of Agricultural Area
Liechtenstein	17.00
Austria	11.30
Switzerland	9.70
Italy	7.94
Finland	6.60
Denmark	6.51
Sweden	6.30
Czech Republic	5.09
Uruguay	4.00
United Kingdom	3.96
Germany	3.70
Norway	2.62
Slovakia	2.40
Australia	2.31
Costa Rica	2.00
Estland	2.00
Netherlands	1.94
Argentina	1.89
Portugal	1.80
Hungary	1.80
Luxembourg	1.71
Spain	1.66
Belgium	1.61
Chile	1.50
France	1.40
Uganda	1.39
Belize	1.30
Israel	1.25
Latvia	0.79
Ecuador	0.74
Ireland	0.68
Slovenia	0.67
Sri Lanka	0.65
Greece	0.60
Canada	0.58
Papua New Guinea	0.41
Dominican Rep.	0.40
Ukraine	0.40
New Zealand	0.38
Tunisia	0.36
Guatemala	0.33
El Salvador	0.31
Poland	0.30

Country	% of Agricultural Area
Yugoslavia	0.30
Suriname	0.28
Peru	0.27
Paraguay	0.26
Panama	0.24
Island	0.24
Colombia	0.24
USA	0.23
Azerbaijan	0.20
Romania	0.20
Lithuania	0.19
Egypt	0.19
Mauritius	0.15
Morocco	0.14
Turkey	0.14
Mexico	0.13
Cuba	0.13
Senegal	0.10
Japan	0.10
Nicaragua	0.09
Indonesia	0.09
Pakistan	0.08
Brazil	0.08
Lebanon	0.07
Honduras	0.06
China	0.06
Bolivia	0.06
Rep. of Korea	0.05
South Africa	0.05
Fiji	0.04
Jamaica	0.04
Ghana	0.04
Cyprus	0.04
India	0.03
Cameroon	0.03
Guyana	0.02
Thailand	0.02
Philippines	0.02
Zambia	0.02
Tanzania	0.01
Laos	0.01
Malawi	0.01

Table 3: Organic Farms World-wide (SOEL-Survey, February 2003)

Country	Organic Farms	Country	Organic Farms
Italy	56,440	Tanzania	991
Indonesia	45,000	New Zealand	983
Mexico	34,862	Thailand	940
Uganda	28,200	Portugal	917
Peru	19,685	Slovenia	883
Turkey	18,385	Belgium	694
Austria	18,292	Czech Republic	654
Spain	15,607	Morocco	555
Brazil	14,866	Philippines	500
Germany	14,703	Egypt	460
Dominican Rep.	12,000	Lithuania	430
France	10,364	Tunisia	409
USA	6,949	Pakistan	405
Greece	6,680	Estland	369
Switzerland	6,169	Uruguay	334
India	5,661	Madagascar	300
Bolivia	5,240	Chile	300
Mozambique	5,000	Azerbaijan	280
Finland	4,983	South Africa	250
Colombia	4,000	Latvia	225
United Kingdom	3,981	Benin	119
Sweden	3,589	Slovakia	82
Costa Rica	3,569	Zambia	72
Denmark	3,525	Bulgaria	50
Sri Lanka	3,301	Luxembourg	48
Canada	3,236	Vietnam	38
Senegal	3,000	Liechtenstein	35
Honduras	3,000	Ukraine	31
China	2,910	Malaysia	27
Guatemala	2,830	Island	27
Paraguay	2,542	Nepal	26
Ecuador	2,500	Guyana	26
Norway	2,099	Kazakhstan	20
Nicaragua	2,000	Croatia	18
Argentina	1,900	Lebanon	17
Poland	1,787	Cyprus	15
Netherlands	1,528	Zimbabwe	10
Australia	1,380	Fiji	10
Rep. of Korea	1,237	Jamaica	7
Romania	1,200	Malawi	6
Hungary	1,040	Mauritius	3
El Salvador	1,000	Syria	1
Ireland	997	SUM	398,804

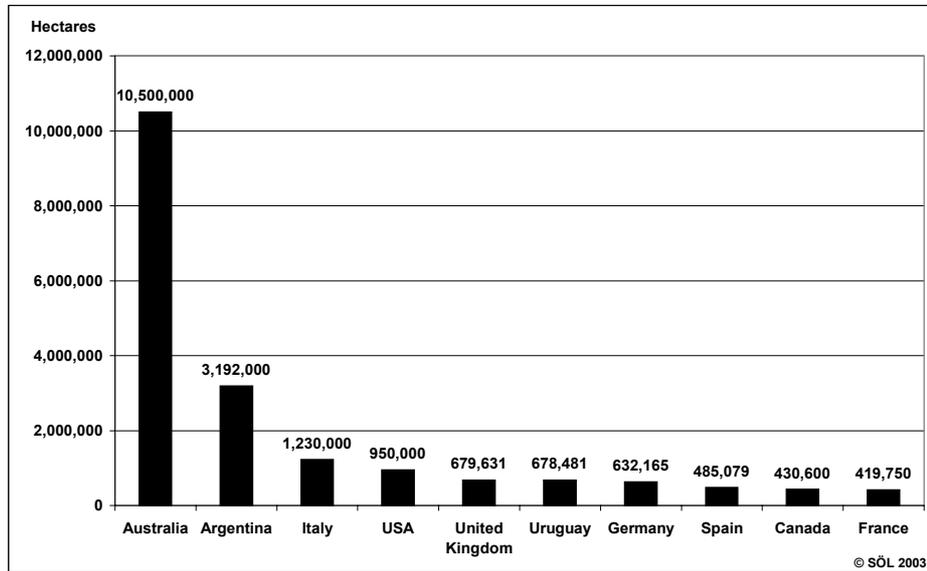


Figure 1: The ten Countries with the Largest Land Area Under Organic Management (Source: SOEL-Survey, February 2003)

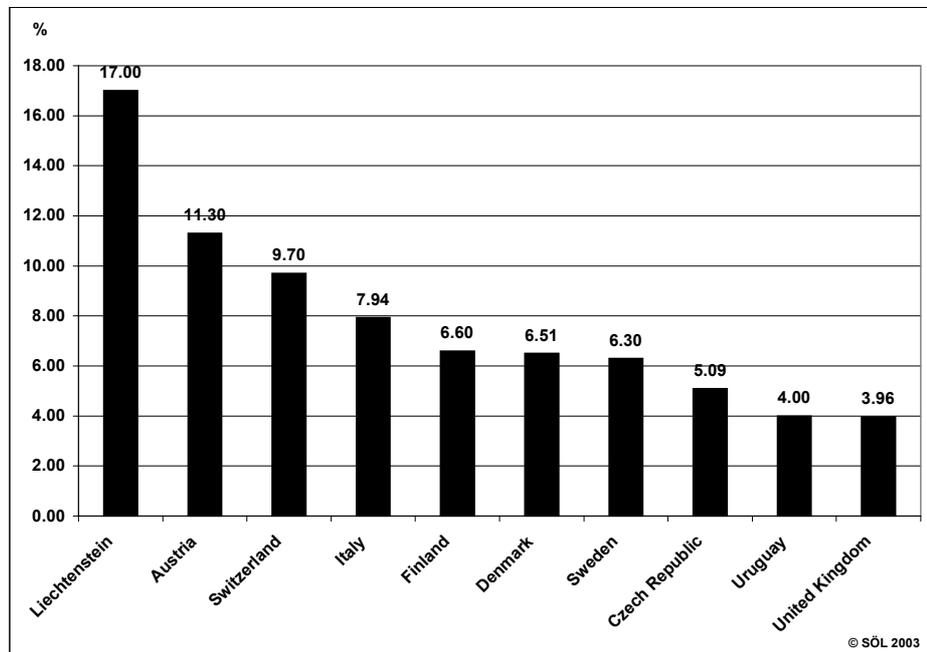


Figure 2: The ten Countries with the Highest Percentage of Land Area Under Organic Management (Source: SOEL-Survey, February 2003)

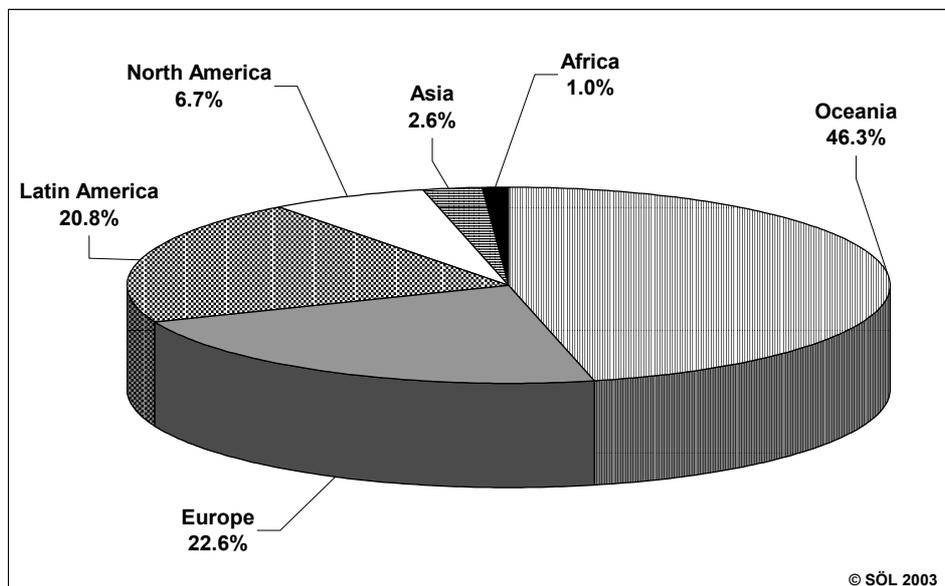


Figure 3: Total Area Under Organic Management - Share for each continent (Source: SOEL-Survey, February 2003)

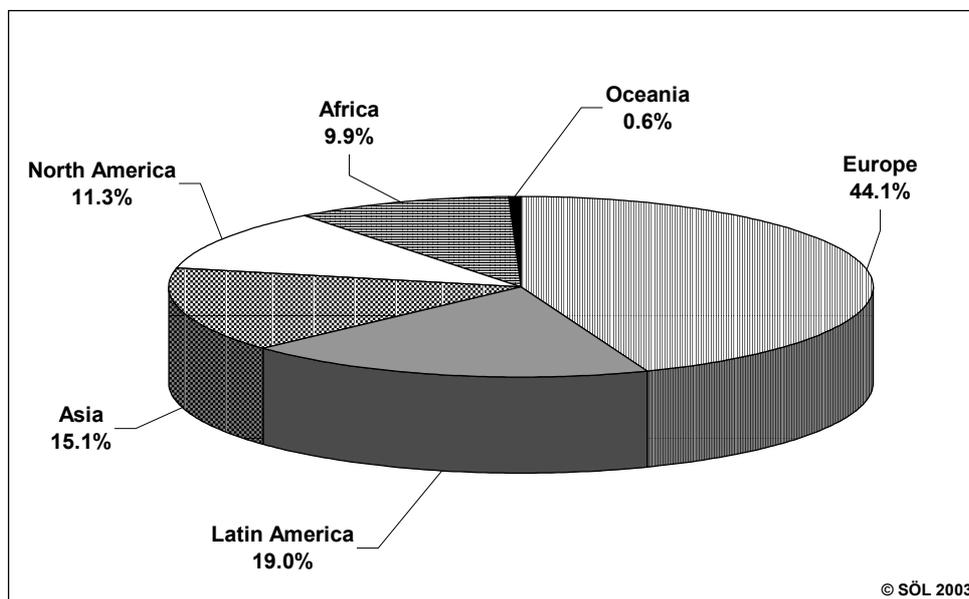


Figure 4: Total Number of Organic Farms – Share for each continent (Source: SOEL-Survey, February 2003)

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www.fas.usda.gov/agx/organics/attache.htm

The Organic Standard, various editions 2002, www.organicstandard.com

Zentrale Markt- und Preisberichtsstelle GmbH (ZMP) (2002): Oekomarkt Forum Nr. 6,9,10,13,14,17,20,21,22,23,28,29,30,31,33,34,36,37,38,40,43,45,46,47,48,49
ZMP, Bonn.

4 Market

Rudy Kortbech-Olesen¹

Due to lack of official foreign trade statistics, we continue to depend on trade estimates of retail market sizes, although we can benefit from some recent surveys on organic products carried out by various certification bodies and other professional organic organisations with access to relatively reliable information, as well as information from specialised trade journals and Websites, etc.

A previous ITC overview (compiled in January 2002) estimated world retail sales (in 16 European countries, USA and Japan) at about \$17.5 billion (US) in 2000 and about \$21 billion (US) in 2001, which indicated a strong increase from an estimated \$10 billion (US) in 1997. However, because of greatly overstated figures for Japan (see below), which included mainly non-certified products such as so-called "green products", total world retail sales were somewhat overstated. A more accurate estimate of world total for 2000 would probably be around \$16 billion (US), reaching about \$19 billion (US) in 2001.

In the following, we shall look at recent developments in major world markets and put forward some forecasts for 2003.

4.1 Europe

In Europe, market developments have differed considerably from market to market as they have entered various stages of the product (life) cycle. The Danish market for example, largely stagnated in 2001 and, as a whole, actually declined somewhat in 2002 (caused mainly by the dairy sector, while some other product sectors experienced growth). In Germany, the market has likewise stagnated and even declined periodically during the last couple of years, at least in some food sectors and retail channels, although it has continued to grow in others. The German market has been badly hit by food scandals, in particular the Nitrofen weed killer/animal feed crisis involving organic chicken and eggs, which also caused considerable concern in most neighbouring markets.

Other markets went through a more positive development, although in several cases there has been a certain slowdown during the past year. The market in the United Kingdom increased by more than one third in 2000/01 according to a Soil Association report, while it increased by up to 15% in 2001/02. The Dutch

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market grew by over 20% in 2001, according to Platform Biologica, although growth is said to have slowed down in 2002. BIO Suisse claims that the Swiss market expanded by 17.5% in 2001, and expected further growth the following year. Switzerland has probably become the market where organic food has the highest share of total food sales.

Sales in Italy, France, Sweden, Austria, Belgium, Norway, Finland and Ireland likewise grew, at various rates, over the period 2001-2002. Spain, an important producer of organic food, remains a fairly small market together with Greece and Portugal. It is interesting to note that several transition economy countries, in particular the Czech Republic, Hungary, Poland and the Baltic states, are becoming increasingly important in organic farming and are also developing into small but promising markets. In 2001, the European market was estimated at just below \$9.0 billion (US). With expected annual growth rates between nil and 20%, depending on the market in question, retail sales in the European countries under survey are expected to total \$10-11 billion (US) in 2003.

4.2 North America

Outside Europe, the United States – the world's biggest organic market with sales of about \$9.5 billion (US) in 2001 – continues to offer interesting opportunities for exporters, including those from developing countries and transition economies, in particular the following product groups: tropical products that are not produced domestically; off-season products, such as fresh fruit and vegetables, where there is unmet demand outside the US season; in-season products, for which there is a temporary or more permanent shortage; and finally novelty or speciality products, like certain ethnic food products or retail-packed food products. European producers are likely to find outlets for a whole range of packaged food and beverages.

In 2003, retail sales are expected to reach the \$11-13 billion (US) range. Annual growth rates between 15-20% are expected over the next few years, which makes the United States the most vigorous organic growth market.

Canada has also become an important market for organic food products, and was estimated at about \$650 million (US) in 2001. According to trade sources, 85-90% of retail sales are imported products, mostly from the USA. Although the USA is, by far, the largest exporter to Canada, it must be noted that much of this trade consists of non-USA products, e.g. fresh produce originating in Latin America and packaged food from Europe, being re-exported by American companies who have fairly easy access to the Canadian market. The market is reportedly growing fast and a number of new encouraging developments are taking place.

It is significant that the major retail organisations, including the largest of them, Loblaws, are moving aggressively into organics. Considering these and other positive developments, retail sales are estimated to reach \$850-1,000 million (US) in 2003. Growth rates are likely to be between 10-20% over the next few years.

4.3 Asia

As shown above, Japan is a particularly difficult market to quantify as far as organic food is concerned. It is well known that there is a large market for "specially cultivated crops" or "green products" (grown with reduced use of chemical pesticides and fertilisers). In 2000, the market for "green products", including organic food, was estimated at \$2-2.5 billion (US). Until recently "green food" was considered as organic food. However, new standards for organic products (JAS) have been introduced by the Japanese Ministry of Agriculture (applied since 1 April 2001). As defined by JAS, the Japanese market for certified organic food was probably \$250 million (US) maximum in 2000.

The market is reported to be growing rapidly, as consumers are becoming increasingly concerned not only with their health but also with the environment. The introduction of a JAS label for organic products, greater awareness of what organic food is, clearer rules and regulations, etc. are also expected to have a positive effect on future sales. Retail sales are estimated to reach the \$350-450 million (US) range in 2003 with the long term potential being much greater.

4.4 Australia / Oceania

Although Australia has the world's largest area of certified organic farm land (mainly for grazing), it is fairly small as a market for organic products. Most of its production (mainly meat products) is being exported. Fruit, mainly apples, is also important. The market is reported to grow rapidly, albeit from a small base. New Zealand is another important producer of organic food, and exports (mainly fresh fruit, but also fresh and frozen vegetables, honey and some meat) are significant. The market appears to be growing rapidly.

In both Australia and New Zealand imports are relatively small, but are becoming more significant. Import items are mainly those products that are not produced domestically. Total retail sales in Oceania taken as a whole are forecasted to be in the range of \$75-100 million (US) in 2003, though it must be noted that some market analysts estimate the figure to be much higher.

4.5 Conclusions

Based on the above estimates, world retail sales (in 23 European countries, USA, Canada, Japan and Oceania) will reach \$23-25 billion (US) in 2003, and will probably be around \$29-31 billion (US) in 2005 (see table 4).

Table 4: Overview World Markets for Organic Food & Beverages (forecast) (Source: Compiled by ITC, December 2002)

Markets	Retail Sales 2003 (million US\$/€)	% of total food sales - (estmates)	Annual growth 2003-2005 in %	Retail Sales 2005 (million US\$/€)
Germany	2,800-3,100	1.7-2.2	5-10	-
U.K.	1,550-1,750	1.5-2.0	10-15	-
Italy	1,250-1,400	1.0-1.5	5-15	-
France	1,200-1,300	1.0-1.5	5-10	-
Switzerland	725-775	3.2-3.7	5-15	-
Netherlands	425-475	1.0-1.5	5-10	-
Sweden	350-400	1.5-2.0	10-15	-
Denmark	325-375	2.2-2.7	0-5	-
Austria	325-375	2.0-2.5	5-10	-
Belgium	200-250	1.0-1.5	5-10	-
Ireland	40-50	<0.5	10-20	-
Other Europe*	750-850	-	-	-
Total (Europe)	10,000-11,000	-	-	-
U.S.A.	11,000-13,000	2.0-2.5	15-20	-
Canada	850-1,000	1.5-2.0	10-20	-
Japan	350-450	<0.5	-	-
Oceania	75-100	<0.5	-	-
Total	23,000-25,000	-	-	29,000-31,000

Note: Official trade statistics are not available. Compilations are based on rough estimates. Sales figures are based on an exchange rate of US\$ 1.00 = € 1.00.

*Finland, Greece, Portugal, Spain, Norway, Poland, Hungary, Czech Republic, Estonia, Latvia, Lithuania

However, a number of factors make this a particularly difficult time to come up with reliable forecasts of the organic food market, or any other market for that matter. The economic situation remains uncertain in many important markets. The geopolitical situation, both in the Middle East and elsewhere, is another critical factor. New food scandals related to non-organic food may affect sales of organic food positively. Possible future fraud cases in the organic trade will have the opposite effect.

As shown in table 4, overall growth expectations for the short to medium term have been reduced somewhat compared with previous years' figures, although they are still high compared to most other food categories traded internationally.

While many observers of the organic trade currently appear to be relatively pessimistic because of a certain slowdown, at least in some markets, over the last couple of years, others look much more optimistically into the future. Although it is correct that growth rates have declined, it must be remembered that the organic trade has enjoyed exceptional growth over a fairly long period, which makes a slowdown natural and perhaps even healthy in the longer run, as it gradually becomes a more mature business.

Several developments that are likely to have a positive effect on the organic trade world-wide should also be mentioned, for example, that several developing countries, including Argentina, Brazil, Chile, China, Egypt, India, Malaysia, the Philippines and South Africa, are developing significant domestic markets (in some countries pushed by big European retailers, like Ahold (Dutch) and Carrefour (French)), in addition to their export sales; that organic products continue to enter the mainstream retail trade; that major food manufacturers increasingly develop organic product lines; that organic aquaculture is expanding rapidly in many countries; that organic hotels and restaurants continue to expand; that organic non-food products, including textiles and even Christmas trees, are gaining market shares; and that Governments, international organisations, NGOs and other organisations are paying more and more attention to the development of organic farming and the promotion of international trade in organic products.

5 Certification

*Gerald A. Herrmann*¹

Scandals in agriculture and the food industry are popping up with shorter and shorter intervals although food laws are getting stricter and stricter. Why is that so?

Modern technology in food production and manufacturing still means that the application of pesticides and mineral fertilizers in agriculture or the use of chemical ingredients and additives in food processing is common practise resulting in residues. The standard analytical technique is developing rapidly so that more and more residues are detected. The awareness of the consumer is constantly increasing. The quality of food is more important than in the past, although the sales turnover of food discounters seem to contradict this statement. And there is another important development: control and certification mechanisms are developing rapidly. There are almost no areas in human life or technology where regulations or norms have not yet been developed and introduced. In this regard organic food production set the precedents for the conventional industry.

Whereas in the 1980s it was private (farmer) organisations who developed the standards for production, inspection and certification; at the beginning of the 1990s the first governments took over this task. At least they took on the task of defining the rules, as it is their right of sovereignty, but they did not necessarily become involved in the implementation of these rules at all levels. Today Codex Alimentarius, with its organic chapter, defines the common international ground for governments. Regulations like the EU or US law were passed and implemented at governmental or supra-governmental level. State governments added specific requirements. Today – as shown in the table below – about 60 countries have already implemented their system or are on their way to doing so. The major consuming and importing markets like Europe and the USA are leading, but countries like India, China and Brazil are following their path. Inspection and certification is accredited or at least supervised by government authorities as defined in the regulations, even though the systems being implemented might be quite different. Control and supervision at all levels should guarantee that all inspectors and certifiers are evaluated and accredited (accreditation means: “the inspection of certifiers”). But it is not enough to define the rules. It is still necessary to achieve a minimum of (world-wide) equivalency guaranteed throughout the system. Therefore a whole set of norms, the ISO Norms, are introduced to the organic sector which have to be followed and implemented.

¹ International Federation of Organic Agriculture Movements (IFOAM), Vice-President, g.herrmann@organic-services.com

┌ Certification

The concern of the consumer should therefore be met. Food scandals should disappear in the long run as production and processing cycles are regulated and “the control of the controllers” is well organised. But we all still waiting for that to happen. Why is that so?

First because of the ongoing application of pesticides, food additives, etc. (see above) in the conventional system which is harmful to the organic system by polluting its environment.

Second because inspection, certification and accreditation systems are plausibility systems, they do random checking. Even if that is done on a regular/irregular base and or announced/unannounced it is impossible to afford a “around the clock” supervisory system.

As a result of the above, certification (including inspection and accreditation) should be reasonably designed to support the credibility of the organic system rather than to spoil it by overburdening it with more and more nitty-gritty bureaucratic details. The aim (fiction?) of a completely “safe” system will not be achievable as long as the polluters are protected and supported by the same regulatory system which likes to put an end to food insecurity and food scandals.

This is what the organic movement tried to do and is still trying to achieve and implement when designing the private system yet acknowledging the reality of its practical restrictions.

Table 5: List of Countries With Organic Regulations (Source: The Organic Standard, Issue 11, March 2002)

Country	Fully Implemented Regulation	Finalised Regulation, not yet Fully Implemented	In Process of Drafting Regulations
EU			
Austria	+		
Belgium	+		
Denmark	+		
Finland	+		
France	+		
Germany	+		
Greece	+		
Ireland	+		
Italy	+		
Luxembourg	+		
The Netherlands	+		
Portugal	+		
Spain	+		
Sweden	+		
United Kingdom	+		
Accession Countries			
Czech Republic	+		
Estonia		+	
Hungary	+		
Iceland	+		
Norway	+		
Poland		+	
Romania		+	
Slovak Republic	+		
Slovenia	+		
Turkey	+		

Country	Fully Implemented Regulation	Finalised Regulation, not yet Fully Implemented	In Process of Drafting Regulations
Rest of Europe			
Albania			+
Croatia		+	
Georgia			+
Switzerland			+
Yugoslavia			+
Asia & Pacific Region			
Australia	+		
China			+
India	+		
Indonesia			+
Israel	+		
Japan	+		
Lebanon	+		
Malaysia		+	
Philippines			+
South Korea	+		
Taiwan	+		
Thailand	+		
America			
Argentina	+		
Brazil		+	
Canada			+
Chile		+	
Costa Rica	+		
Mexico		+	
Nicaragua			+
Peru			+
USA		+	
Africa			
Egypt		+	
Madagascar			+
South Africa			+
Tunisia	+		

5.1 IFOAM-Accreditation

Official regulations exist in many countries but differ in content and effectiveness. While they may provide some protection in the domestic market, they are unlikely to provide the kind of global assurance of equivalency that the international market requires. In 1992, the International Federation of Organic Agriculture Movements (IFOAM) established the IFOAM Accreditation Programme (IAP) to provide international equivalency of organic quality claims.

IFOAM accreditation is based on the international IFOAM standards (IFOAM 2000), which are developed continually. The IFOAM Accreditation Programme is managed by the International Organic Accreditation Service Inc. (IOAS) under a licensing agreement with IFOAM. The IOAS Board of Directors is appointed by IFOAM and the programme operates independently from other activities of IFOAM.

In 2000, the first products with the “IFOAM-accredited” logo (see figure 5), which was launched at Biofach 1999, came on the market – an important step to world-wide harmonisation. Up to now, 21 organisations have been IFOAM accredited, another 9 are in the accreditation process (see list below).

Detailed information on the IFOAM accreditation programme is available at www.ifoam.org/accredit/index.html and the International Organic Accreditation Services Inc. (IOAS), www.ioas.org



Figure 5: IFOAM-Logo as it can be used by the IFOAM Accredited Certifiers

5.1.1 IFOAM Accredited Certification Bodies as of January 2003

How to understand the list:

The **accredited certification body** is the company or organisation whose name precedes the table. Programme(s) covered by the accreditation: A certification body may operate more than one certification programme. For example, it may be certifying organic to a regulation or it may be certifying something other than organic such as "produced without genetically modified organisms". Only the programmes included in the scope of IFOAM accreditation are listed here.

Categories included in accreditation scope: The certification body may certify various activities within its organic certification programme. For these activities to be included within the accreditation scope it is necessary that IFOAM has defined in the IFOAM standards or the IFOAM criteria the requirements for carrying out that type of certification. This means that accreditation is possible for the following categories: Certification of crop production, processing, livestock, wild products, input manufacturing, retailing and certification transference. If one of these categories is not listed it means the certifier is not currently engaged in that activity or that the activity is still being evaluated by the IOAS.

Categories not included in accreditation scope: This is the listing of categories included by the accredited certifier in their organic programme, but which are not covered by IFOAM standards and criteria and therefore not included in the accreditation scope.

Not accredited organic certification programme(s): If a certification body operates more than one certification programme, this listing indicates any programmes that are not included in the accreditation scope.

Accredited certification programme logo: The certification mark of the certification programme that is included in the accreditation scope. The IOAS requires this to be distinguishable from other logos or certification marks of the accredited certification body.

Agrior Ltd.

121 Hachashmona'im St., Tel Aviv 67011, Israel

Phone +972 3 5614898, Fax +972 3 6241897, E-Mail: agrior@netvision.net.il

Programs included in accreditation scope:	Agrior Private Standards and Seal Programs
Categories included in accreditation scope:	Organic certification of crop production, processing, livestock, retailing, input manufacturing and certification transference products
Categories not included in accreditation scope:	None
Not accredited certification program(s):	Agrior Quality System for Honey, Certification to US National Organic Program
Countries of operation:	Israel

Argencert S.R.L.

Bernardo de Irigoyen 760, 10^oB 1072 Buenos Aires, Argentina

Phone +54 11 4342 1479, Fax +54 11 4331 7185,

E-Mail: argencert@argencert.com.ar

Programs included in accreditation scope:	Argencert private standards and seal programs
Categories included in accreditation scope:	Crop production, Livestock, Wild products, Processing and handling
Categories not included in accreditation scope:	None
Not accredited certification program(s):	Certification to US National Organic Program
Countries of operation:	Argentina, Chile, Paraguay

Bioagricoop scrll

Via del Macabraccia 8 40033 Casalecchio di Reno (BO), Italy

Phone +39 051 562 158, Fax +39 051 562 294 E-Mail riccardo@bioagricoop.it

Programs included in accreditation scope:	Bioagricoop private standards and seal program
Categories included in accreditation scope:	Crop production, Livestock, Wild products, Processing & handling, Input manufacturing, Certification transference, Retailing
Categories not included in accreditation scope:	None
Not accredited certification program(s):	Certification to EU Reg 2092/91 -non Bioagricoop logo
Countries of operation:	Italy, Colombia, Bulgaria, Thailand, Tunisia, Turkey, Dominican Republic, Argentina, Egypt, Malta

┌ Certification

Bio-Gro New Zealand

PO Box 9693, Marion Square, Wellington 6031, New Zealand
 Phone + 64 4 801 9741, Fax +64 4 801 9742, E-Mail: smason@bio-gro.co.nz

Programs included in accreditation scope:	Bio-Gro private standards and seal program
Categories included in accreditation scope:	Crop production, Livestock, Processing and handling, Input manufacturing, Wild harvest, Certification transference, Grower Groups.
Categories not included in accreditation scope:	Fibre processing, aquaculture
Not accredited certification program(s):	None
Countries of operation:	New Zealand, Fiji

Bioland e.V.

Kaiserstrasse 18, D-55116 Mainz, Germany
 Phone +49 61312397924, Fax +49 613123979-27, E-Mail landbau@bioland.de

Programs included in accreditation scope:	Bioland e.V. Private Standards and Seal Programme
Categories included in accreditation scope:	Organic certification of crop production, processing, livestock and certification transference procedures
Categories not included in accreditation scope:	Aquaculture
Not accredited certification program(s):	None
Countries of operation:	Germany, Italy, Belgium, The Netherlands, France

Biological Farmers of Australia

P O Box 3404, Toowoomba Village Fair, Queensland 4350, Australia
 Phone +61 7 4639 3299, Fax +61 7 4639 3755, E-Mail manager@bfa.com.au

Programs included in accreditation scope:	BFA Private Standards and Seal Programme
Categories included in accreditation scope:	Organic certification of crop production, processing, livestock, wild products, retailing, input manufacturing and certification transference procedures
Categories not included in accreditation scope:	Aquaculture, Forestry, Eating establishments, Fiber processing, wild game or marine products
Not accredited certification program(s):	None
Countries of operation:	Australia, Japan, Fiji, Papua New Guinea, Hong Kong, New Zealand Singapore

Bolicert

Casilla 13030 General Gonzálves, 1317 La Paz, Bolivia
 Phone +591 2 490747, Fax + 591 2 490747, E-Mail: bolicert@mail.megalink.com

Programs included in accreditation scope:	Bolicert private standards and seal program
Categories included in accreditation scope:	Crop production, Livestock, Processing & handling, Wild products, Grower Groups
Categories not included in accreditation scope:	None
Not accredited certification program(s):	None
Countries of operation:	Bolivia, Paraguay

California Certified Organic Farmers

1115 Mission Street, Santa Cruz, CA 95060, USA
 Phone +1 831 423 2263, Fax +1 831 423 4528, E-Mail: Brian@ccof.org

Programs included in accreditation scope:	CCOFprivate standards and seal program designated as "CCOF International"
Categories included in accreditation scope:	Crop production, Livestock, Processing & handling, Certification transference, Retailing
Categories not included in accreditation scope:	None
Not accredited certification program(s):	Private standards and logo - not designated as "International Program", Certification to US National Organic Program
Countries of operation:	USA, Mexico

Consorzio per il Controllo dei Prodotti Biologici

Via Jacopo Barozzi, N.8 40126 Bologna, Italy
 Phone +39 0 51 6089811, Fax +39 0 51 254842, E-Mail: ccpb@ccpb.it

Programs included in accreditation scope:	CCPB private standards and seal program designated as "Global Program"
Categories included in accreditation scope:	Crop production, Livestock, Wild Products, Processing and handling; Certification transference, Retailing
Categories not included in accreditation scope:	None
Not accredited certification program(s):	Certification to EU Reg. 2092/91- Private Logo not designated as "Global Program"
Countries of operation:	Italy, Canada, Morocco, Poland, Czech Republic

┌ Certification

Ekoagros

Studentu str. 11, Akademija LT 4324, Kaunor, Lithuania
 Phone +370 7 397445, Fax +370 7 397445, E-Mail: ekoukis@nora.lzua.lt

Programs included in accreditation scope:	EKOAGROS private standards and seal program
Categories included in accreditation scope:	Crop production, Livestock, Wild products, Processing and handling, Input manufacturing, Certification transference
Categories not included in accreditation scope:	None
Not accredited certification program(s):	None
Countries of operation:	Lithuania

Instituto Biodinamico

Caixa Postal 321, CEP18603-970 Botucatu SP, Brazil
 Phone +55 14 6822 5066, Fax +55 14 6822 5066, E-Mail: ibd@ibd.com.br

Programs included in accreditation scope:	Biodinamico private organic/biodynamic standards and seal program
Categories included in accreditation scope:	Crop production, Livestock, Processing and handling, Wild products, Input manufacturing, Certification transference, Grower groups
Categories not included in accreditation scope:	Fibre processing
Not accredited certification program(s):	Certification to US National Organic Program
Countries of operation:	Brazil, Bolivia, Dominican Republic

International Certification Services Inc.

5449 45th St., SE Medina ND 58467, USA
 Phone +1 701 486 3578, Fax +1 701 486 3580, E-Mail: Info@ics-intl.com

Programs included in accreditation scope:	Farm Verified Organic private standards and seal program
Categories included in accreditation scope:	Crop production, Livestock, Wild products, Processing and handling, Certification transference
Categories not included in accreditation scope:	Marine
Not accredited certification program(s):	ICS Residue Free Program, Certification to US National Organic Program
Countries of operation:	USA, Canada, Paraguay, Mexico, Dominican Republic, Guatemala, Brazil, Nepal

Istituto per la Certificazione Etica e Ambientale

Strada Maggiore, 29 40125 Bologna, Italy

Phone +39 0 51 272986, Fax +39 0 51 232011, E-Mail: controllo-estero@aiab.it

Programs included in accreditation scope:	ICEA private standards and seal program - Garanzia AIAB
Categories included in accreditation scope:	Crop production, Livestock, Wild products, Processing & handling, Input manufacturing, Retailing
Categories not included in accreditation scope:	Certification transference pending
Not accredited certification program(s):	Certification according to EU regulation 2092/91 - ICEA JAS programme/ IGP (EC reg 2081/92)
Countries of operation:	Italy

Japan Organic & Natural Foods Association

Takegashi Bldg. 3F, 3-5-3, Koy Chuo-Ku, Tokyo104 0031, Japan

Phone +81 3 3538 1851, Fax +81 3 3538 1852, E-Mail Jona@calen.ne.jp

Programs included in accreditation scope:	JONA Private Standards and Seal Programme
Categories included in accreditation scope:	Organic certification of crop production, processing, wild products, certification transference procedures
Categories not included in accreditation scope:	None
Not accredited certification program(s):	Certification under the Organic Regulation of JAS
Countries of operation:	Japan, China, India, Sri Lanka, Australia, Brazil, Argentina

KRAV-Ekonomisk Foerening

Box 1940, SE-751 49 Uppsala, Sweden

Phone +46 181 00290, Fax +46 181 00366, E-Mail: johan.cejie@krav.se

Programs included in accreditation scope:	KRAV private standards and seal program
Categories included in accreditation scope:	Crop production, Livestock, Wild products, Processing and handling, Input manufacturing, Certification transference, Retailing, Grower groups
Categories not included in accreditation scope:	Aquaculture, Eating establishments, Fibre processing
Not accredited certification program(s):	Certification to EU Reg 2092/91 -non KRAV logo
Countries of operation:	Bosnia Herzogovina, Brazil, Denmark, Finland, India, Malaysia, PR China, Peru, Russia, Spain, Sweden, Tanzania, Thailand, Uganda

┌ Certification

National Association Sustainable Agriculture Australia

PO Box 768, Stirling 5152, S. Australia, Australia

Phone +61 88 3708455, Fax +61 88 3708381, E-Mail: lyn.austin@nasaa.com.au

Programs included in accreditation scope:	NASAA private standards and seal program
Categories included in accreditation scope:	Crop production, Livestock, Wild products, Processing and handling, Input manufacturing, Certification transference, Grower groups
Categories not included in accreditation scope:	Fibre processing, wild game
Not accredited certification program(s):	Certification to US National Organic Program
Countries of operation:	Australia, Fiji, Indonesia, Japan, Nepal, Papua New Guinea, Sri Lanka, Samoa

Naturland e.V.

Kleinhaderner Weg 1, D-82166 Graefelfing, Germany

Phone +49 89 8980820, Fax +49 8989 808290, E-Mail: naturland@naturland.de

Programs included in accreditation scope:	Naturland private standards and seal program
Categories included in accreditation scope:	Crop production, Livestock, Wild products, Processing and handling, Input manufacturing, Certification transference, Grower groups
Categories not included in accreditation scope:	Aquaculture, Forestry
Not accredited certification program(s):	Certification to US National Organic Program
Countries of operation:	Germany, Argentina, Austria, Belgium, Brazil, Cameroon, Chile, Colombia, Czech Republic, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Guatemala, Hungary, India, Ireland, Peru, Italy, Mexico, Netherlands, Nicaragua, Paraguay, Peru

Organic Agriculture Certification Thailand

801/8 Ngamwongwan 27, Nga Muang District, Nonthaburi11000, Thailand

Phone +66 2 5800934, Fax +66 2 5800934, E-Mail actnet@ksc.th.com

Programs included in accreditation scope:	ACT Private Standards and Seal Programme
Categories included in accreditation scope:	Organic certification of crop production, processing, wild products, Grower groups
Categories not included in accreditation scope:	None in which the licensee is currently engaged
Not accredited certification program(s):	None
Countries of operation:	Thailand

Organic Crop Improvement Association

6400 Cornhusker, Suite 125 Lincoln NE68507, USA

Phone +1 402 477 2323, Fax +1 402 477 4325, E-Mail: swelsch@ocia.org

Programs included in accreditation scope:	OCIA private standards and seal program
Categories included in accreditation scope:	Crop production, Livestock, Wild crop harvesting, Processing & handling, Certification transference, Grower Groups
Categories not included in accreditation scope:	None
Not accredited certification program(s):	Certification to US National Organic Program
Countries of operation:	East Timor, Japan, China, US, Canada, Mexico, Nicaragua, Guatemala, Brazil, Ecuador, Columbia, Costa Rica, El Salvador, Honduras, Peru, Paraguay

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Programs included in accreditation scope:	OIA private standards and seal program
Categories included in accreditation scope:	Crop production, Livestock, Wild crop harvesting, Processing & handling, Input manufacturing, Certification transference
Categories not included in accreditation scope:	None
Not accredited certification program(s):	Quality Program, Certification to US National Organic Programme
Countries of operation:	Argentina

Soil Association Certification Ltd.

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Programs included in accreditation scope:	Soil Association private standards and seal programme designated as "Global Partnership"
Categories included in accreditation scope:	Crop production, Livestock, Wild products, Processing & handling, Input manufacturing, Retailing, Certification transference, Grower groups
Categories not included in accreditation scope:	Aquaculture, Eating establishments
Not accredited certification program(s):	Soil Association private standards and seal programme, Forestry
Countries of operation:	United Kingdom, Belize, Egypt, Ghana, Iran, Kenya, Mexico, Namibia, South Africa, Syria, Tanzania, Thailand, Venezuela, Zambia, Zimbabwe

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AgriQuality

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6 Codex Alimentarius

*Otto Schmid*¹

Consumer demand for organically produced food products is on the rise world-wide, providing new market opportunities for farmers and marketing actors in developing and developed countries. The need for clear and harmonised rules has not only been taken up by private bodies, IFOAM (International Federation of Organic Agriculture Movements) and state authorities (e.g. EU regulation 2092/91 within the European Union), but also by the UN-Organisations FAO and WHO. FAO and WHO have officially declared that international guidelines on organically produced food products are seen as important for consumer protection and information, and because they facilitate trade (FAO, 1999). They are also useful to governments wishing to develop regulations in this area, in particular in developing countries and countries in Eastern Europe.

The Codex Alimentarius Commission, a joint FAO/WHO Food Standards Programme, the body that sets international food standards, started to develop Guidelines for the production, processing, labelling and marketing of organically produced food in 1991. Within one of the Codex Alimentarius committees, the one concerned with food labelling (CCFL), a special working group with the active participation of observer organisations such as IFOAM and the EU, has worked intensively on developing such guidelines, following the 8 step Codex procedure. In June 1999, first plant production and then, in July 2001, animal production, was approved by the Codex Commission. The requirements in these Codex Guidelines are generally in line with IFOAM Basic Standards and the EU regulation for organic food (2092/91 and amendments, 1804/99). There are some differences in regard to the details and the areas which are covered by the different standards (see table 6).

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

According to the proposed Codex definition, “organic agriculture is a holistic production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles and soil biological activity.”

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In other words, organic agriculture is not only based on minimising the use of external inputs and avoiding the use of synthetic fertilisers and pesticides, but follows a system and process oriented approach.

The use of genetic modified/engineered organisms, and products thereof, is clearly excluded. In the animal section special emphasis is given to animal welfare issues such as livestock housing and feeding systems in order to maintain the high credibility of organic food among consumers. In the section on processing of organic food, especially animal products, there is an ongoing intensive debate in the Codex Alimentarius Organic Working group on how far the use of food additives and processing aids should be limited, taking into account consumer expectations for safe/minimal processing and minimum use of inputs on one hand, and traditional eating habits in different regions and the possibility to choose between a certain range of products on the other.

The new text of the Codex Guidelines takes into account the work of pioneer firms which developed innovative technologies and which comply with the basic principles of organic food production, e.g. by avoiding synthetic colorants, flavours and nitrates/nitrites. A consensus was achieved by agreeing, in 2001, on a limited and provisional list of food additives and processing aids. This is subject to further revisions based on experiences and developments at national level.

In the view of IFOAM, which was actively involved in the elaboration of these guidelines, this Codex document is an important step in the harmonisation of international rules in order to build up consumer trust. They will be important for equivalence judgements under the rules of WTO (World Trade Organisation). To develop the market for organically produced food, further development of these Codex Guidelines is important to provide guidance to governments in developing national regulations for organic food.

These Codex Guidelines for organically produced food will be regularly reviewed – at least every four years – based on given Codex procedures. Regarding the list of inputs, there is a possibility of an accelerated procedure which facilitates a quicker update of amendments.

Regarding future work, a clear need was identified at the meetings in 2001 and 2002, to review the criteria of inputs. It was also agreed to review the lists of substances for agricultural production and processing, taking into account technological advances in the organic food industry, the development of organic farming/food research and the growing awareness of different consumer groups of such food. At the meeting in May 2002 of the Codex Food Labelling Committee (CCFL), the existing criteria for inputs were reviewed and the procedure developed in such a way that decisions on future inputs will be supported by technical submissions evaluated with these criteria. A number of countries, plus the EU and IFOAM, have submitted proposals for amendments,

in particular concerning food processing. These will be evaluated by experts, and the old and new criteria will be discussed at the next meeting of the CCFL-Working group for Organic Food. This will be held in April/May 2003 in order to prepare the amendments for acceptance by the whole CCFL-Committee and finally for the adoption by the Codex Alimentarius Commission in July 2003.

Further information about Codex Alimentarius is available at the homepage www.codexalimentarius.net. There is also a special homepage on organic agriculture at the FAO homepage: www.fao.org/organicag/.

The Codex-Alimentarius-Guidelines on organic agriculture can be downloaded from ftp://ftp.fao.org/codex/standard/organic/gl99_32e.pdf.

Table 6: Main Differences Among the IFOAM Basic Standards, the Codex Guidelines, and the EU-Regulation 2092/91

Items	IFOAM Basic Standards 2002 (Part of the IFOAM Norms for Organic Production and Processing)	Codex Alimentarius Organic Guidelines 1999/2001	EU Regulation 2092/91 (and Amendments) and 1804/99 for Organically Produced Food
Scope	Food and non-food, including fish, textiles (new draft) etc.	Mainly food	Food and non-food
Conversion	Farm or farm unit, minimum 1 years before harvest, perennials 2 years	Farm or farm unit, minimum 2 years before harvest, perennials 3 years	Farm or farm unit, minimum 2 years before harvest, perennials 3 years
Fertilisation	Comparable similar list, clear criteria list for new inputs	Comparable similar lists, exclusion of manure from factory farming	Comparable lists, only manure from extensive farming
Pest and disease control	Similar list	Similar list	Similar list
GMO products	Excluded	Excluded	Excluded
Animal husbandry	Rather detailed, developed as a framework for national organisations	Developed more as a framework for national bodies	Very detailed regulation, especially for poultry
Processing	Elaborated criteria list for new additives and processing aids, detailed list	Criteria list further developed, for animal products very restrictive list	Little developed criteria, no list for animal products yet
Labelling	Conversion label after 2nd year allowed. Mixed products with >95% organic: full labelling; 70% products: emphasis labelling; products with <70% only on the ingredients list	Conversion label after 2 nd year allowed. Mixed products with >95% organic: full labelling; 70% products: labelling on the ingredients list, only allowed on a national level	Conversion label after 2nd year allowed. Mixed products with >95% organic: full labelling; 70% products: labelling on the ingredients list

7 Organic Agriculture in the Continents

7.1 Africa

Charles Walaga¹

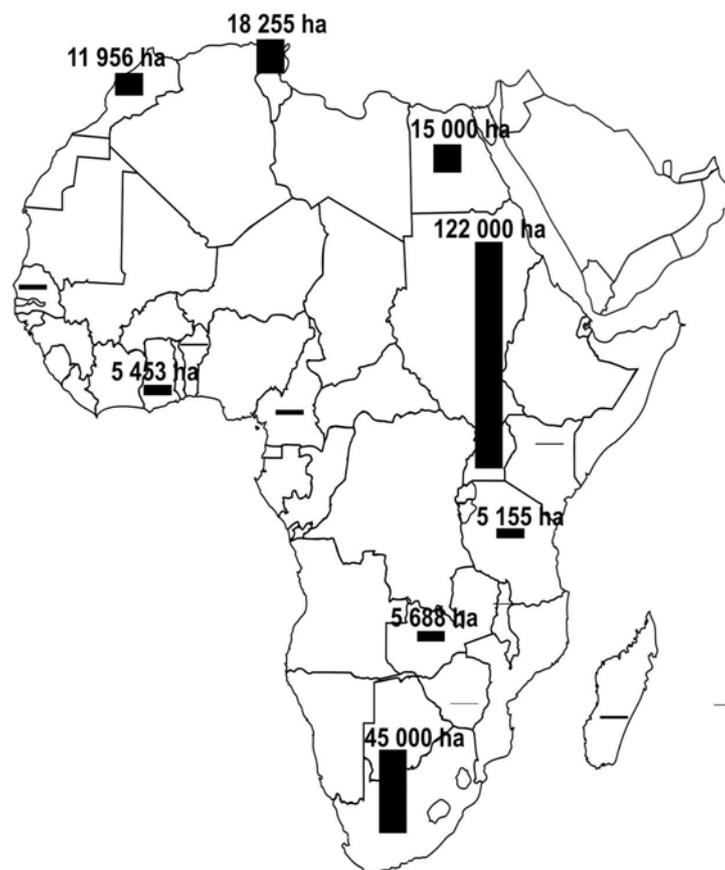


Figure 6: Organic Agriculture in Africa (SOEL-Survey, February 2003)

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7.1.1 General Overview

The “Green Revolution” has had limited success in much of rural Africa, and the use of agrochemicals has remained low in sub-Saharan Africa. Even though for some products (e.g. cotton in Zimbabwe) agrochemicals are used, it can generally be assumed that much of the agricultural production can easily be converted to meet the documentation requirements for organic agriculture. Presently this production is rarely certified, and it is mostly sold on conventional national and international markets. This probably explains why there is hardly any statistical material for Africa.

In Africa there is, however, a growing interest in organic farming. The following reasons are given:

- Disappointment with the technology of the “Green Revolution”, including resource degradation.
- Without state subsidies, even the promising Green Revolution technologies are out of reach for the large majority of farmers.
- When introducing organic farming, indigenous knowledge can be built upon.
- The growing world-wide environmental movement has raised the awareness of the people in Africa, and organic farming is practised to fight erosion and desertification. Organic agriculture practices, where introduced, have reversed resource degradation and resulted in improved land productivity.
- The international market for organic products, with premium prices, is an opportunity for farmers to increase their incomes.

Organic production is rarely certified, but this year more figures than in previous years could have been obtained (see table 8). Organic farming is increasing in Africa, especially in the southern countries. An important growth factor in Africa is the demand for organic products in the industrialised countries. Another motivation is the maintenance and building of soil fertility on land threatened by degradation and erosion. More than 200,000 hectares are now managed organically. Additionally, 23,351 hectares are certified “wild harvested plants”.

7.1.2 Market

In sub-Saharan Africa, the domestic market for certified organic produce is developing very slowly. This is partly due to low income levels and the low level of organisation of the organic movement in Africa. Nevertheless, several efforts to establish organic markets in Uganda, Malawi, Kenya and South Africa are going on.

In North Africa, local marketing of organic products is growing, particularly in Egypt, where the Sekem farm has been leading the marketing of organic cotton products and tea, which is sold in about 10,000 pharmacies and shops all over Egypt.

South Africa also has a growing organic market with products being sold in several specialised stores and supermarket chains. Large supermarket chains like Woolworths, Pick'n Pay, Hyperama and Shoprite Checkers are planning to introduce an extensive organic product range (ZMP, 2000).

The most important trade with organic products is, however, export to the international market. In most cases, several – sometimes thousands – of farmers are working together on one project in order to reach sufficient quantities for export (e.g. Egypt and Uganda). As the international organic market grows and the organic sector becomes organised with appropriate policy and regulatory frameworks, organic products from Africa will increase on the international market both in quantity and variety.

Table 7: African Organic Agriculture Products on the International Market

Products	Country of Origin
Coffee	Uganda, Tanzania, Madagascar
Cotton	Uganda, Senegal, Egypt, Zimbabwe, Benin, Mozambique
Cocoa	Tanzania, Ivory Coast, Madagascar
Pineapples	Ghana, Uganda, Mauritius, Cameroon, Madagascar
Sweet bananas	Uganda, Cameroon
Sesame	Uganda, Burkina Faso, Benin, Malawi
Honey	Algeria, Madagascar, Malawi, Zambia
Dried fruit	Uganda, Benin, Burkina Faso, Madagascar, Morocco
Vegetables	Cameroon, Madagascar, South Africa, Morocco, Tunisia
Vanilla	Madagascar
Herbs	Madagascar, Egypt, Tunisia, Morocco, South Africa, Zimbabwe
Avocados	South Africa, Uganda
Olive oil	Tunisia
Sugar	Mauritius, South Africa
Cashew nuts	Mozambique
Tea	Tanzania
Palm oil	Madagascar
Coconut	Madagascar, Benin
Vanilla	Comoro Islands
Spices	Tanzania, Zimbabwe

7.1.3 Certification

For many farmers and traders in Africa, certification is costly and does not make much economic sense (ITC, 1999). Inspection and certification are mostly carried out by foreign organisations, which entails inspectors travelling from far off countries to Africa. The certified organic operations have either been started with initially full or subsidised funding of certification costs by a donor project, or full funding by well established large agriculture estates or well organised and wealthy farmer co-operatives.

7.1.4 Policy Environment for Organic Agriculture

In much of sub-Saharan Africa, organic agriculture has not yet attracted much interest from policy makers. Their attitude ranges from hostility, indifference and scepticism to mild support. In some cases – for instance in Uganda – government agriculture commodity organisations like the Coffee Development Authority and the Cotton Development Organisation view organic coffee and cotton as something that adds value to crops, and organic production has become of interest to them; hence their present support.

In most African countries no regulations for organic agriculture exist and for certification, foreign developed standards are used.

7.1.5 Challenges and Outlook

The following are constraints on the future development of organic agriculture in Africa:

- Traditional forms of production are coming under strain because of the increasing size of the rural population.
- In some countries it may be impossible to establish an export operation because trade liberalisation has not yet taken root.
- Certification costs are very high because certification is conducted by foreign organisations.
- Regulations in the important importing countries of the world (North America, EU and Japan) constitute non tariff barriers.
- High illiteracy rates make farm record keeping a problem.

There are the following opportunities for organic farming in Africa:

- The potential for organic production and export in Africa is high, especially in countries with liberalised economies.
- The major opportunity lies in the fact that most production in Africa is traditional and complies more or less to the principles of organic agriculture as laid down in the IFOAM Basic Standards.
- Certification costs are reducing as local expertise in inspection is built by foreign certification bodies.
- Expertise in organic production and organisation of exports is building up as the organic market develops.
- National organic standards and certification systems are being developed.
- The movement towards harmonisation of organic standards.
- The consensus that is developing among stakeholders on the requirements, processes and procedures for farmer group certification systems.

In the future, organic markets are expected to be launched in several African countries, especially those with advanced conventional farming practices such as Kenya and Zimbabwe, as there is an increasing awareness of the dangers of conventional agriculture.

7.1.6 Country Reports

South Africa

Compared to other countries south of the Sahara, Uganda and South Africa have a well developed organic sector. South Africa also has a substantial domestic market, which is usually underdeveloped (Rundgren 2002). There are eight different certification organisations active in South Africa, two of which are purely local and they started operating in 2001. The Biodynamic and Organic Certification Authority (BDOCA) was set up by the Biodynamic Agriculture Association of South Africa. It has managed to keep costs down and has been very successful helping operators sell to South African consumers. Africa's Farms Certified Organic (AFRISCO) is a company with seven trained inspectors. It has not been able to compete well on the national market, because it does not receive any subsidies (Rundgren 2002). The South African government has embarked on the formulation of an organic regulation and the draft has been developed to be equivalent to the organic legislation of the EU, which is the main export market. It is also influenced by the IFOAM Basic Standards (Rundgren 2002). There is no price premium for domestic sales at the moment, so many farmers want to move quickly to exports.

Uganda and Tanzania

Uganda and Tanzania each has many smallholders engaged in certified organic production, which makes the two countries leading organic producers among the developing countries. A majority of the producers are part of projects that have resulted from the Export Promotion of Organic Products from Africa (EPOPA) programme, funded by the Swedish International Development Cooperation Agency (SIDA) (Rundgren 2002). Farms in Uganda produce fresh organic fruits and vegetables, cotton, sesame and coffee. Initiated within the EPOPA programme in 1998, the development of a local certification organisation was discussed, but the process stopped due to lack of funds. A proposal has been submitted to SIDA to develop a national certification organisation in Uganda and Tanzania respectively, as a project within the EPOPA Programme. SIDA has now approved funding for the second phase of the EPOPA programme. In this phase, the development of national certification systems for Uganda and Tanzania has started to be implemented (Rundgren 2002).

Kenya

In Kenya, development and promotion of organic agriculture has been left to non-government organisations and community based organisations. About twelve organic operators are active at the moment. Foreign certification bodies have local inspectors as well as inspectors from overseas (Rundgren 2002). Export products are French beans, mange tout, runner beans, salads and tea for the UK market, hibiscus tea and jam for the Japanese and Austrian market, and macadamia nuts and oil for Germany and Japan. During an IFOAM training workshop at the Kenya Institute of Organic Farming in December 2001, participants from different parts of Eastern Africa were trained in establishing organic guarantee systems, standard setting and accreditation (Rundgren 2002).

Table 8: Land Under Organic Management and Number of Organic Farms in Africa
(Source: SOEL-Survey, February 2003)

Country	Date	Organic Farms	% of all Farms	Organic Hectares	% of Agricultural Area
Angola	1998	0	0	0	0
Benin	2000	119		81	0.003
Botswana	1998	0	0	0	0
Burkina Faso	1999	+		+	
Cameroon	2001			2,500	0.03
Central African Republic	1998	0	0	0	0
Chad	1998	0	0	0	0
Djibouti	1998	0	0	0	0
Egypt	2001	460	0.02	15,000	0.19
Equatorial Guinea	1998	0	0	0	0
Eritrea	1998	0	0	0	0
Ghana	2001			5,453 ²	0.04
Guinea-Bissau	1998	0	0	0	0
Kenya	2000			494	0.002
Liberia	1998	0	0	0	0
Madagascar	2001	300		1,230	0.005
Malawi	2001	6		298	0.01
Mauritius	1995	3		175	0.15
Morocco	2000	555	0.01	11,956	0.14
Mozambique	2001	5,000			
Namibia	1998	0	0	0	0
Niger	1998	0	0	0	0
Rwanda	1998	0	0	0	0
Senegal	2001	3,000		2,500	0.1
Seychelles	1998	0	0	0	0
Somalia	1998	0	0	0	0
South Africa	2001	250		45,000	0.05
Swaziland	1998	0	0	0	0
Tanzania	2001	991		5,155	0.01
Tunisia	2001	409	0.08	18,255	0.36
Uganda	2001	28,200		122,000	1.39
Western Sahara	1998	0	0	0	0
Zambia	2001	72		5,688	0.02
Zimbabwe	2001	10		40	
SUM		39.375		235.825	

+: In these countries organic farming exists, but we do not have any figures.

0: In these countries organic farming is not practised.

² Therefrom 5,000 ha in conversion

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7.2 Asia

Compiled by Minou Yussefi¹

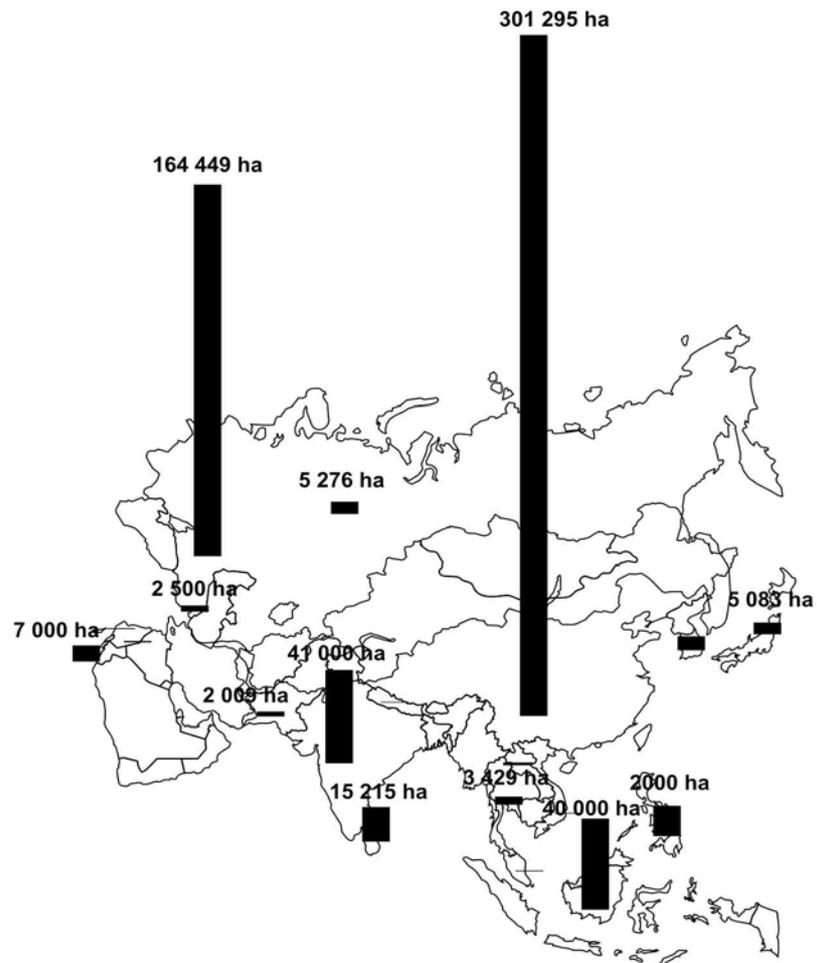


Figure 7: Organic Agriculture in Asia (Source: SOEL-Survey, February 2003)

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7.2.1 General Overview

Certified organic production takes place in most Asian countries although on a very small scale (ITC, 1999). It is practised in order to reach self-sufficiency in food, to improve soil fertility, but mainly for export.

In Asia, the area under organic management is comparatively small. Among the more significant countries producing organic products are China, Ukraine, India and Indonesia as well as Israel (mainly dried and fresh fruits and vegetables and nuts). For many countries no precise figures are available, but it may be assumed that only Israel has reached one percent yet (see table 10). The total organic area in Asia is now almost 600,000 hectares. Additionally, 13,532 hectares are certified "wild harvested plants".

Table 9: Organic Food Items in the Asian Market (Masuda, 2000)

Country	Domestic Products	Imports	Price Premium
India	All kinds		100%
Philippines	fresh vegetables, rice		30-50%
Thailand	rice, vegetables, beans, fruit		10-30%
China	teas, honey, bamboo shoots, peanut, rice, beans		10-30%
Japan	rice, Japanese tea, sake, rice vinegar	Pasta, cereals, coffee, tea, herb tea, wine, beer, oil, jam, honey, frozen vegetables, dry nuts, dry fruits, fresh fruits (banana, kiwi, orange), beef, chicken, sugar, bread, seasoning (soy sauce, miso, etc.) soybean products (tofu, natto, etc.)	20-50%

7.2.2 Market

In most Asian countries no local markets for organic products exist. In almost all Asian countries local distribution is a huge problem, and often a price premium for organic products cannot be achieved. For example in Israel, Japan and Malaysia and the Philippines organic products are sold via specialised stores and supermarkets. In India, especially in the big cities, the market for organic products is growing.

7.2.3 Certification

Lack of certification and lack of organic regulation is leading to consumer confusion in many Asian countries (Masuda, 2000).

Most organic products are certified by foreign certification agencies. China, Israel and Japan have established certification bodies. Only Israel has attained equivalency status with the standards of the European Union.

China, India, the Philippines, Thailand and Malaysia are also working on organic legislation. This development is related not only to export opportunities but also to increasing domestic consumption.

7.2.4 Country Reports

India

In India, there are three main types of farmers engaged in organic agricultural production.

1. Farmers who mostly follow the indigenous knowledge and technology developed over the past thousands of years. They normally grow for their own consumption and have little surplus.
2. Farmers with small to medium sized holdings. These can be divided into two groups: those working to revive the Vedic practices, coupled with Ayurvedic tradition of health system with scientific exposition; and others who follow modern organic agriculture systems, like Steiner's biodynamic agriculture or Fukuoka's "nature farming", for example. They usually have market surplus and sometimes export their goods.
3. Private companies that have responded to market demands in the North by organising large scale conversions to organic systems. By going organic they add more economic value to the crops, which are already cultivated in a manner similar to organic systems. They are actively engaged in promoting organic agriculture for export.
(Mahale 2002)

India produces primary organic products and processed foods are limited. Organic products grown in various agroclimatic zones are coffee, teas, spices, fruits, vegetables and cereals as well as honey and cotton. Organic animal husbandry, poultry and fisheries do not exist. Domestic organic markets and consumer awareness are underdeveloped in India, but interest is growing. On the domestic market, organic food is usually sold directly from the farmer or through specialised shops and restaurants. At present, a price premium of about 20-30% over conventional products can be received (FAO 2002).

India is an exporting country and does not import any organic products. The main market for exported products is the European Union. Recently India has applied to be included on the "EU-Third-Country-List". Another growing market is the USA.

External certification bodies introduced inspection and certification programmes in 1987. In June 2001, the Government of India announced the National Programme for Organic Production (NPOP), which aims to promote sustainable production, environmental conservation, reduction in the use and import of agrochemicals, the promotion of export and rural development (FAO 2002). The Indian Standards are modelled on the IFOAM Basic Standards and the seal "India Organic" has been established. In October 2001, the export of organic products was brought under government regulation, while imports and the domestic market were not (Mahale 2002). European certification bodies are established as legal entities in the country and are accredited under the NPOP. India's first local organic certification body, Indocert, was founded in March 2002. Indocert's aim is to offer reliable and affordable organic inspection and certification services to farmers, processors, input suppliers and traders. It provides certification for the domestic and export market. Indocert has a strong technical collaboration with FiBL (Research Institute of Organic Agriculture) in Switzerland and Bio-Inspecta (Swiss inspection body) which provides inspector training and supervises the inspection activities. In order to improve extension work at the field level, Indocert is initiating the set up of an Indian Organic Advisors Association. Aimed to provide technical advice for farmers, the association will function as a platform for advice, information dissemination and training in the field of organic agriculture (Mahale 2002).

China

In China, organic agriculture is in its relatively early stages, although from all Asian countries it has the largest organic area. About two thirds of the provinces and autonomous regions in China have been involved in organic production, processing and trading. Zhejaing and Anhui provinces in the eastern part of China are the pioneers of organic farming.

In 1992 the Chinese Ministry of Agriculture established the China Green Food Development Centre (CGFDC). The programme certified to two grades: the "A Grade Green Food", which allows the use of limited and specified agrochemicals at safe levels; and the "AA Grade Green Food", which is quite close to organic food in terms of standards. By the end of 2001, more than 2,000 green food certificates had been issued on products produced by various farms all over China, among which 48 were certified as "AA Grade Green Food". The success of the green food sector, especially the "AA Grade Green Food", provided China with a sound agricultural experience for the development of organic systems (Zejiang 2002).

In 1994, in order to promote the development of organic foods and to protect the rural environment from pollution, the State Environmental Protection Administration of China (SEPA) established the Organic Food Development Centre (OFDC). OFDC then prepared a comprehensive set of organic farming production and food processing standards and management regulations for the organic food label. These standards cover crops, eggs and milk products, apiculture, mushrooms, sprout products and wild plant collection; processing of organic products; distribution and sales; storage and packaging; inspection and auditing; air, irrigation and water quality used in production; and permissible and prohibited materials for production and processing. OFDC is now responsible for inspection, certification, labelling, research, education and training related to the development of organic food. (FAO 2002)

It is likely that the organic industry will now grow rapidly in China, and more domestic organic certifiers will be established. There are also several foreign organic certifiers from Europe and the USA operating in China.

Certified products include soybean, buckwheat, sesame, sunflower and pumpkin seeds, rice, walnuts, pine nuts, tea, apicultural products, medicinal herbs and milk, and a few processed products such as fruit juices, noodles and beverages (FAO 2002). Before 1999, more than 95% of the certified organic products of China were exported, especially to Japan, EU countries and North America. However, in the last two years food safety issues have become a growing concern in China, resulting in the growth of the domestic organic food market. With economic development being experienced and an increasing common public concern over food contamination, demand for organic products is likely to increase. It is estimated that in the coming years the sales volume of main organic foods might rise from one to two percent of the entire food sales in China (FAO 2002).

Chinese and foreign media institutions are very interested in publicising the development of the organic sector in China. Increasing numbers of TV and radio programmes highlight organic farming and organic food. Reports and special columns related to organic agriculture and organic food have been published in newspapers all over China. (Zejiang 2002)

Korea

The Korean market for organic products is still very small. In 2001, locally grown organic produce (fruits, vegetables, and rice) accounted for only 0.2% of total agricultural production (Brehm 2002). However, judging from the amount of space retail outlets are devoting to organic produce, the demand for these products is growing. In response, the Korean Ministry of Agriculture (MAF) has developed a labelling program which indicates whether a product is organic, contains low or no agricultural chemicals. At present, imports of organic products consists mainly of ingredients for baby foods, infant formulas and some health foods (Brehm 2002). Specific information on the size of the retail market for organic products is not available. However, it is expected that the market for processed organic foods will grow dramatically in the next few years. Currently, the types of organic products available are either fresh produce, rice or products made with organic ingredients, such as baby food, bread, or flour. About 55% of Korean consumers purchase organic products because they are concerned with their health (Brehm 2002). Korean consumers are very interested in eating foods which have potentially healthful benefits or medicinal qualities. Generally, the 30 to 50-year old generation – mostly women – shop for their families. As incomes and product awareness rises, the demand for more processed organic products is growing. Korean eating habits are also becoming more Westernised reflected in the increased consumption of bread, meat and fruits. A survey on organic consumption habits also found that 23% of consumers purchase organic foods because they taste better or are more nutritious and only 12% stated that they are concerned about the environment (Brehm 2002).

Table 10: Land Under Organic Management and Number of Organic Farms in Asia
(Source: SOEL-Survey, February 2003)

Country	Date	Organic Farms	% of all Farms	Organic Hectares	% of Agricultural Area
Azerbaijan	2001	280	0.74	2,500	0.2
China	2001	2,910		301,295 ²	0.06
India	2001	5,661		41,000	0.03
Indonesia	2001	45,000		40,000	0.09
Israel	2001			7,000	1.25
Japan	1999			5,083	0.09
Kazakhstan	1998	20			
Rep. of Korea	1998	1,237		902	0.04
Laos	2001			150	0.01
Lebanon	2001	17	0.01	250	0.07
Malaysia	2001	27		131	0.002
Nepal	2001	26		45	0.001
Pakistan	2001	405	0.08	2,009	0.08
Philippines	2000	500		2,000	0.02
Russia	2001			5,276	0.003
Sri Lanka	2001	3,301		15,215	0.65
Syria	2000	1		74	0.001
Thailand	2001	940	0.02	3,429	0.02
Ukraine	2001	31		164,449	0.40
Vietnam	2001	38		2	
SUM		60,394		590,810	

Sources

Azerbaijan: Amin Babayev , GABA, Ganja Agribusiness Association, Ganja Str. 24, 374700 Ganja, Azerbaijan, Phone / Fax: +994-22-569400, E-Mail: g_gaba@azeurotel.com

China: Tai Chongmei, OFDC, Organic Food Development Center of China, Certification Department, 8 Jiang-wang-miao Street, Nanjing 210042, P.R. China, Phone: +86-25-5477069, Fax: +86-25-5420606, E-Mail: ofdcsepa@public1-ptt.js.cn

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² Therefrom more than 200,000 ha in conversion

India: Farms: Naturland Auslandsstatistik 2001. Naturland e.V., Kleinhaderner Weg 1, D-82166 Graefelfing, Phone: +89-898082-31, Fax: +89+898082-90, E-Mail: naturland@naturland.de

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Israel: Vincenzo Fersino, 2001: „Organic Agriculture in Mediterranean Area“, Co-ordination Committee Organic Agriculture, C.I.H.E.A.M - Istituto Agronomico Mediterraneo, Bari Via Ceglie 9, 70010 Valenzano (Bari), Italy, E-Mail: fersino@iamb.it; www.premiobiol.it/2002_documenti/eng_fersino_01.doc

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Pakistan: Syed Asad Husain, POFA, Pakistan Organic Farmers Association, 76 West Wood Colony, Lahore 53700, Pakistan, Phone: +92-42-5421707, Fax +92-42-5220433, E-Mail assad@paknet4.ptc.pk

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Russia: IMO, Institute for Marketecology, Weststr. 51, CH-8570 Weinfelden, Phone: +41-71-626 0 626, Fax: +41-71-626 0 623, E-Mail: imo@imo.ch

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7.3 Australia and Oceania

Compiled by Minou Yussefi¹

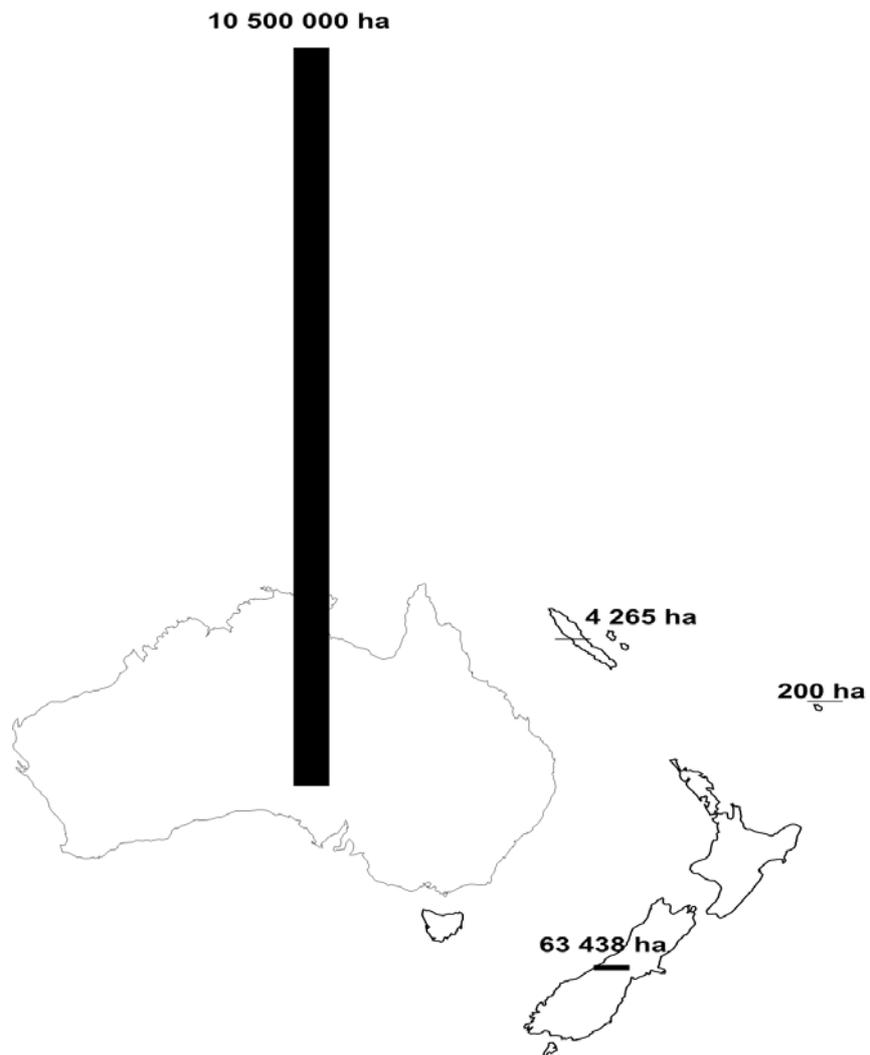


Figure 8: Organic Agriculture in Australia and Oceania
(Source: SOEL-Survey, February 2003)

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7.3.1 General Overview

Australia/Oceania includes New Zealand and Australia as well as smaller countries like Fiji, Papua New Guinea, Tonga and Vanuatu. Table 11 shows, that in Australia 10.5 million hectares are under organic management – this is the largest area in the world. In fact, most of this area is pastoral land for low intensity grazing. Therefore one organic hectare in Australia should not be compared to one organic hectare in Denmark, for example, due to its level of productivity.

7.3.2 Market

The region's growth in organic trade is heavily influenced by the increasing demand for organic food and fibre products in Europe, Asia (especially Japan) and Northern America. The fact that there are three IFOAM-accredited certifiers – NASAA and BFA (Australia) as well as BIO-GRO (New Zealand) shows the importance that is placed on exports.

Australia and Oceania accounts for almost half of the global organic land area, but retail sales only amounts to one percent of the organic market world-wide because most of it is exported. Rising consumer interest in high quality food and objections to genetically engineered organisms are creating an enormous demand in the country. Fruits and vegetables, that are sold mainly through supermarkets, are in high demand.

7.3.3 Policy Support

In Australia, the organic industry was strongly influenced by the fast growing overseas demand, resulting in the government realising the value of organic markets and supporting the organic sector (Clay, 2000). The same applies to New Zealand.

Australia has had national standards for organic products in place since 1992, and it is one of the seven countries on the third country list of the European Union.

7.3.4 Country Reports

Australia

In Australia, most of the 10.5 million organic hectares is dedicated to beef enterprises. Important crops include fruit and vegetables which are produced all year around and dairy products (a rapidly growing sector), rice, wool, herbs, wine, vegetable seed and sheep-meat. There are no subsidies for organic agriculture. (May 2002)

The Australian Quarantine Inspection Service (AQIS) audits organic industry organisations against the requirements of the “National Standard for Organic and Biodynamic Produce” to ensure the integrity of organic products is maintained. The following seven organisations are accredited by AQIS:

- Biological Farmers of Australia (BFA)
- Biodynamic Research Institute
- National Association of Sustainable Agriculture, Australia (NASAA)
- Organic Herb Growers of Australia
- Eco-organics of Australia
- Organic Vignerons Association of Australia Inc.
- Organic Food Chain

(AQIS 2002)

Of these seven certification bodies, five can export to the European Union; however all seven can export to non-European countries such as Canada, Japan, Switzerland and the United States (FAO 2002). At present there are no foreign certification bodies working in Australia, and no local certification bodies work in association with international certification bodies. Organic production in Australia has been protected by legislation since 1992, with amendments coming into force in 1998. Legislation covers crop production, animal husbandry, food processing, packaging, storage, transport and labelling. The legislation does not mandate that every farm labelling or selling organic produce must be certified, it is only implemented for products dedicated to export (FAO 2002). Currently, Australia has no national regulatory mark. However, the process to initiate a mark has been set in progress (Organic Standard 11, 2002).

On the domestic market, organic produce receives a substantial price premium over that of conventionally grown produce. For cereals and livestock products this ranges between 50% and 75% and for fruit and vegetables the premium is usually between 50% and 60% (FAO 2002). Most organic food is sold through supermarkets, but also in specialised shops and restaurants. There is only one association of organic retailers: the Organic Retailers and Growers Association of Australia (FAO 2002).

Since the demand for organic products is greater than the available local supply, Australia has to import organic food, despite having the world's largest land area. The total value of imported organic produce is unknown, but principally comprises organic grain from the United States (FAO 2002).

The most important sales markets for Australian organic products are in Great Britain, Germany and Japan. Here, Australian producers benefit because they can provide the European market with out of season fresh fruit and vegetables. In addition, New Zealand, Singapore and the USA are supplied with organic products (DPI 2000). The main primary products for export are wheat and other grains, oilseeds and beef.

It is estimated that the total value of production of the organic industry is in the vicinity of \$150 million (US). Approximately 40% of this is estimated to be for export, with the remainder for domestic use (May 2002).

New Zealand²

In New Zealand a variety of different food products are now available as certified organic, but the main organic products are kiwifruit, apples, and vegetables. Both organic kiwifruit and organic apples now represent more than 5% of total production in those sectors for New Zealand. A wide range of top quality organic wines and beers are now also available. Dairy and livestock farmers have been slow to convert in the past, but with encouragement from processors we are now seeing some more conversions.

The three main government supported initiatives in New Zealand at the moment are the New Zealand Food Safety Authority programme for exports, the development of a New Zealand National Organic Standard, and the development of a National Strategy for Organic Agriculture.

At the moment there are no specific regulations in New Zealand protecting the label "organic". The first step in developing systems to protect New Zealand consumers against fraudulent use of the label "organic" has been to develop a National Standard for organic production, which will be used to benchmark organic production and certification in New Zealand. The process is being facilitated by Standards New Zealand with a consultative committee drawn from industry and the organic sector. The first draft for public consultation was released in October 2002 and the public comment period closed on 10 January 2003. It is expected that the Standard will be completed during 2003.

² Seager Mason, Chief Executive, BioGro New Zealand, smason@bio-gro.co.nz, bio-gro.co.nz

A government funded National Strategy for Organics has just been completed. The key recommendation is for the formation of an umbrella industry body, which will co-ordinate initiatives in the organic sector. This body will take on the co-ordinating role which has been provided by OFANZ (Organic Federation of Aotearoa New Zealand) on a voluntary basis up to now.

The New Zealand Food Safety Authority (NZFSA) Official Organic Assurance Programme (OOAP) has been developed by the New Zealand government and the organic sector and is funded by OPENZ (Organic Product Exporters of New Zealand), for exports of New Zealand organic products. The EU has granted New Zealand third country listing for this programme, and it has been in place since 1 July 2002 for exports to Europe. It has also been accepted by the USDA for exports to the US since 2 December 2002. Implementation of this programme has simplified the maintaining of market access to regulated markets such as EU for certifiers, who now operate as a Third Party Agency for the NZFSA for these markets.

New Zealand's domestic market has grown very rapidly over the last two years, by more than 100% each year. This growth is due to a variety of factors, particularly rejection of genetic engineering, but also because of the high quality of organic food and because organics has the support of many people as being the best way forward for New Zealand's agriculture and food production.

Most supermarkets offer organic products, and some supermarkets are specialising in organics due to customer demand. Organic shops are increasing in number and size, with some of the successful speciality organic shops becoming small to medium size organic supermarkets.

New Zealand's economy is reliant on exporting and agricultural products are New Zealand's main exports. Exports of organic products have grown steadily over the last ten years, and are currently more than \$60 million (NZ) per annum. Growth of organic exports has slowed over the last two years due to the rapid growth in domestic demand. Demand for exports of organic products far exceeds supply.

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

In general, the New Zealand government is supportive of organics, but is also under heavy pressure from pro genetic engineering lobby groups to allow the introduction of genetic manipulated organisms into New Zealand's agriculture. So genetic engineering will also remain a key issue for New Zealand's organic sector.

Table 11: Organic Land and Farms in Oceania (Source: SOEL-Survey, February 2003)

Country	Date	Organic Farms	% of all Farms	Organic Hectares	% of Agricultural Area
Australia	2001	1,380	1.4	10,500,000	2.31
Fiji	2000	10		200	0.04
New Zealand	2001	983		63,438	0.38
Papua New Guinea	1995			4,265	0.41
SUM		2,373		10,567,903	

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Australia: Rod May, National Association For Sustainable Agriculture Australia (NASAA), E-Mail: capck@netconnect.com.au

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

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David Brown, AgriQuality New Zealand, E-Mail: brownd@agriquality.co.nz

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7.4 Europe

Helga Willer and Toralf Richter ¹

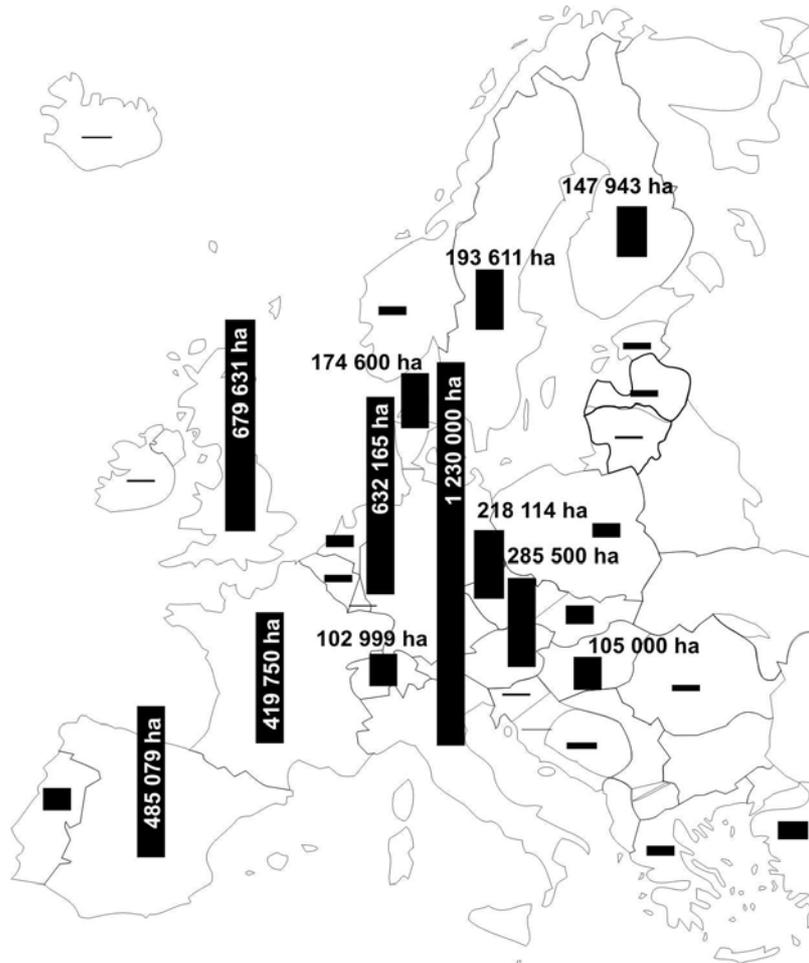


Figure 9: Organic Agriculture in Europe (SOEL-Survey, February 2003)

¹ Forschungsinstitut fuer biologischen Landbau (FiBL), admin@fibl.ch; www.fibl.ch

7.4.1 Statistical Development: Strong Growth Continues

Since the beginning of the 1990s, organic farming has developed very quickly in almost all European countries. This strong growth is continuing in the new century.

According to the Swiss Research Institute of Organic Agriculture (FiBL), by the 31.12.2001 in the 15 EU-countries, 4,442,875 hectares were managed organically by 142,348 farms. This constitutes 3.24 percent of the EU agricultural area and 2.04 percent of EU farms.

If the accession countries and the EFTA countries are included, the number of farms is almost 175,807 and the land under organic management totals 5,133,843 hectares (see table 13).

Compared to the previous year this is an increase of 17% in the organic land area in the EU, and 25% in the EU/accession countries/EFTA countries. The number of farms increased by 9% in the European Union and by 25% in the EU/accession countries/EFTA countries.

Since the 1990s, the strongest growth is found in Scandinavia and the Mediterranean countries. Recently in Germany, and in the United Kingdom, strong growth is also taking place. There are, however, also some countries where the proportion of organic land has decreased (Ireland). In other countries growth has been exceptionally strong (Spain, Italy, Czech Republic).

A detailed description of the statistical situation of the organic sector, including data on land use and farm structure can be found in the brochure: "Organic Farming in the EU: Facts and Figures" (European Commission, no date) as well as in Foster and Lampkin (2000). A complete overview of the statistical development of the organic sector is available on the Organic Centre Wales website at www.organic.aber.ac.uk/stats.shtml.

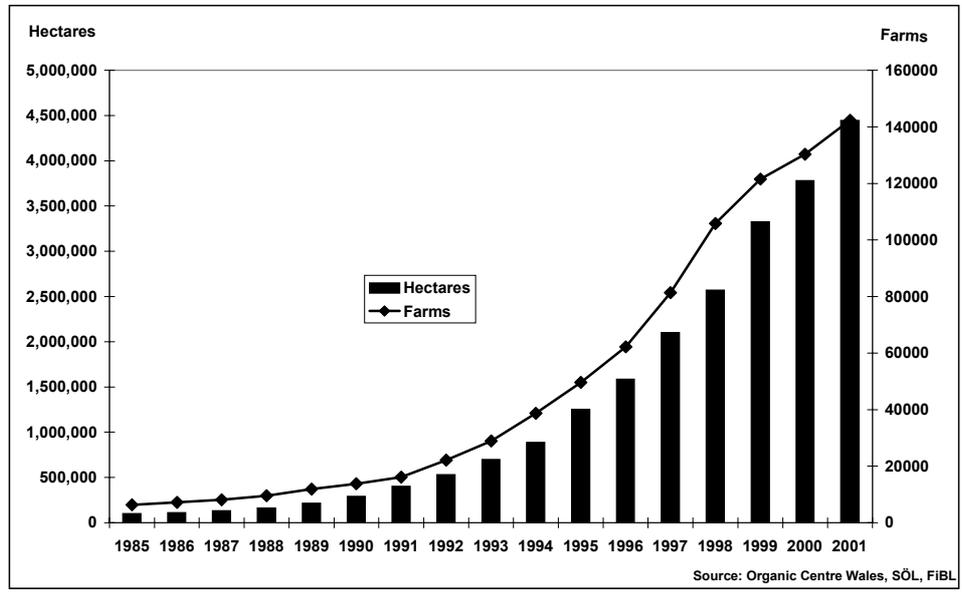


Figure 10: Development of Land under Organic Management and of Organic Farms in the European Union 1985 to 2001, Source: FiBL

There are also substantial differences between individual countries regarding the importance of organic farming. In Austria, more than 11% of agricultural land is organic, in Switzerland 10%. Some countries have yet to reach one per cent. The country with the highest number of farms and the greatest number of hectares is Italy. More than one quarter of the European Union’s organic land and almost one third of its organic farms are located here (see figures overleaf).

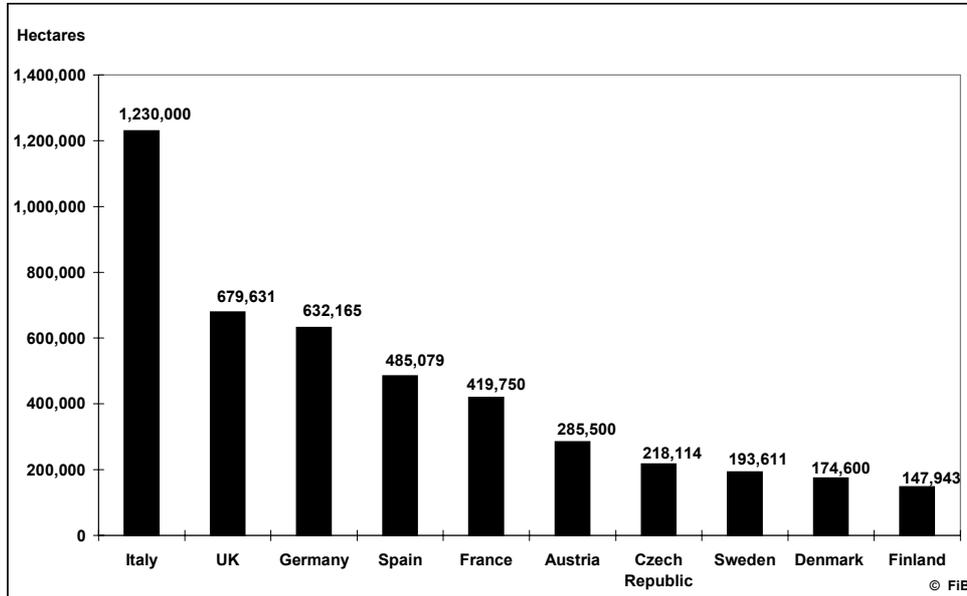


Figure 11: Organically Managed Area in Europe - the 10 countries with the highest area of organic land (European Union, Accession countries, EFTA countries) (31.12.2001), Source: FiBL

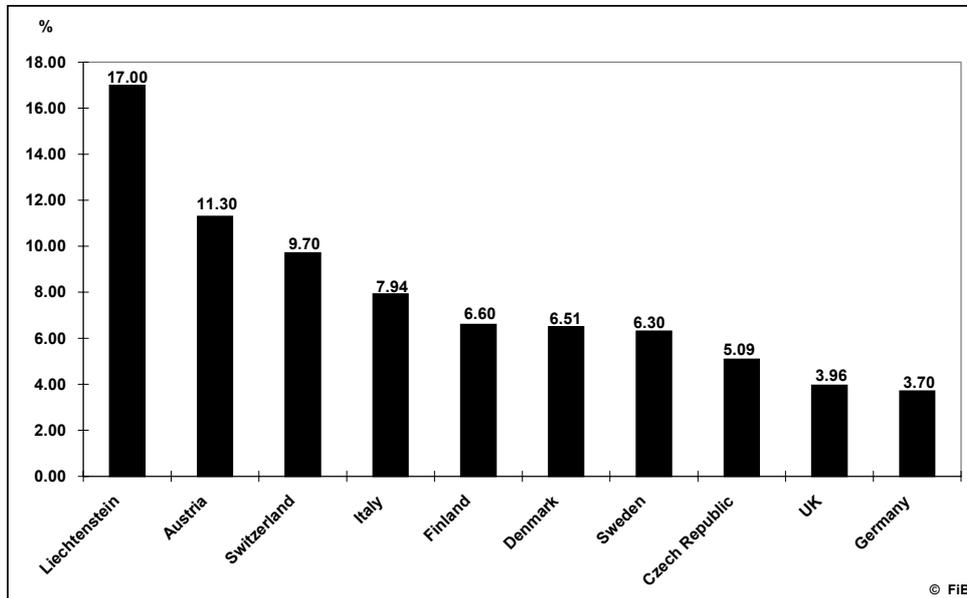


Figure 12: Organically Managed Area in Europe - the 10 countries with the highest share (%) of organic land (European Union, Accession countries, EFTA countries) (31.12.2001), Source: FiBL

7.4.2 History of Organic Agriculture in Europe and its Main Players

Organic agriculture in Europe developed in the private sector. 1924 is seen as the crucial year: Rudolf Steiner held his agricultural course in Silesia, and biodynamic agriculture emerged ("Demeter"). In the 1930s, Hans Mueller was active in Switzerland, and he founded organic-biological agriculture (represented by Bioland in Germany and BioSuisse in Switzerland as well as by many other organic producer organisations in Europe). In the 1940s, organic farming developed in the United Kingdom, particularly with the work of Lady Eve Balfour, founder of the Soil Association and Sir Albert Howard. Their method of organic farming corresponds to organic-biological farming in the German speaking countries. Today, most organic farms in Europe work according to this method. For all these agricultural methods – including biodynamic farming – the portmanteau terms "ecological", "biological" and "organic" are used. This also applies to the EU regulation on organic farming.

In the 1940s, in many countries, the first organic agriculture organisations were founded, and the private sector has been the driving force for the development of organic farming in Europe since then. Many more organisations have been founded since the 1980s, and their efforts towards harmonisation and consumer protection were assisted by some governments (notably in Denmark and France).

The organisations in the private organic sector are represented by the International Federation of Organic Agriculture Movements IFOAM, which was founded in 1972, in Versailles, France. In 1991, the IFOAM European Union regional group was founded, representing the sector's interests before the European Commission. The IFOAM European Union regional group is a competent partner in all questions relating to the development of the EU regulation on organic farming, which was published in the official journal of the European Union in the same year.

The launch of the BioFach trade fair, which has been held since 1990 in Germany, marks another milestone in the history of European organic farming, demonstrating the growing importance of the market for organic products. Today it is based in Nuremberg, and it has become the biggest trade event for organic products, not only in Europe but world-wide.

Further European Union support for organic farming came in 1994 with area-based payments for organic farming (under EU regulation 2078/92) which are now continued under Agenda 2000. Countries outside the European Union have similar provisions for organic farmers.

At national as well as EU level there is state support because:

- Organic farming has positive environmental effects
- The organic market offers income possibilities for farmers
- The development of rural areas can be positively influenced by organic farming (e.g. tourism, processing activities)
- Organic farming has lower yields and thus contributes to surplus reduction.

The BSE-crisis in early 2001 also resulted in major government support for organic farming and currently work on a European Action plan for organic farming is in progress. The first action plan for organic farming was implemented by the Danish government in 1995, and the European Action Plan for organic farming was initiated in the Danish capital of Copenhagen in 2001.

Some Milestones in the history of European organic farming

1924 Beginnings of organic agriculture in Germany with Rudolf Steiner's Course on bio-dynamic farming; in the 1930s and 1940s the first bio-dynamic associations are founded in Europe ("Demeter")

1930s/40s Dr. Hans Mueller active in Switzerland (organic-biological farming, which is now the most common organic farming practice in the German speaking countries; represented by "Bioland", "BioSuisse")

1946 Soil Association founded in the U.K. by Lady Eve Balfour (organic farming)

1972 International Federation of Organic Agriculture Movements (IFOAM) founded

1973 Research Institute of Organic Agriculture / Forschungsinstitut fuer biologischen Landbau (FiBL) founded in Switzerland, now the largest organic research institute world-wide

1975 Foundation Ecology & Agriculture / Stiftung Oekologie & Landbau (SOEL) founded in Germany

1980s Most of the organic associations and organisations founded

1990 First BioFach Fair takes place in Germany, now the biggest fair for organic products world-wide

1991 IFOAM European Union Regional Group founded

1991 EU regulation 2092/91 on organic agriculture published in the official Journal of the European Commission; the regulation became law in 1993

1992 EU regulation 2078/92 published in the official Journal of the European Union, area based support for organic farming under this regulation granted in almost all European Union countries since 1994 (now continued under EU regulation 1257/1999)

1995 First Action Plan for organic farming launched in Denmark

2000 Agenda 2000 implemented including continuation of the area-based payments as well as other support measures for organic farming (Rural Development regulation No. 1257/1999)

2001 January, The BSE crisis hits Europe, resulting in a major change in attitude towards organic farming

2001 May, Copenhagen: First steps taken towards a European Action Plan for Organic Farming

7.4.3 The European Market for Organic Foods

There has been considerable growth in the market for organic products in Europe in recent years. Currently almost half of all organic products worldwide are sold in Europe. There is no sign yet of an end to this increase, however competition between the countries of Europe is growing.

The main drivers of this steady market growth are the commitment of many retail chains as well as favourable policy conditions. Together these have created conditions favouring a harmonious increase in supply and demand. The standardisation of organic standards in Europe meant that organic products could be more simply traded within Europe. So national supply bottlenecks in individual countries could usually be easily overcome with imported goods.

Even if at present only 3% of the European agricultural land area is managed organically and the market share of organic produce is no more than between one and two percent, organic agriculture has secured a place in the economy and society of Europe. Within Europe, Germany has the largest organic market with a sales value of approximately 2.5 billion Euro (\$2.3 billion (US)). In terms of per capita consumption of organic produce however, Denmark and Switzerland are the clear leaders (see figure 13).

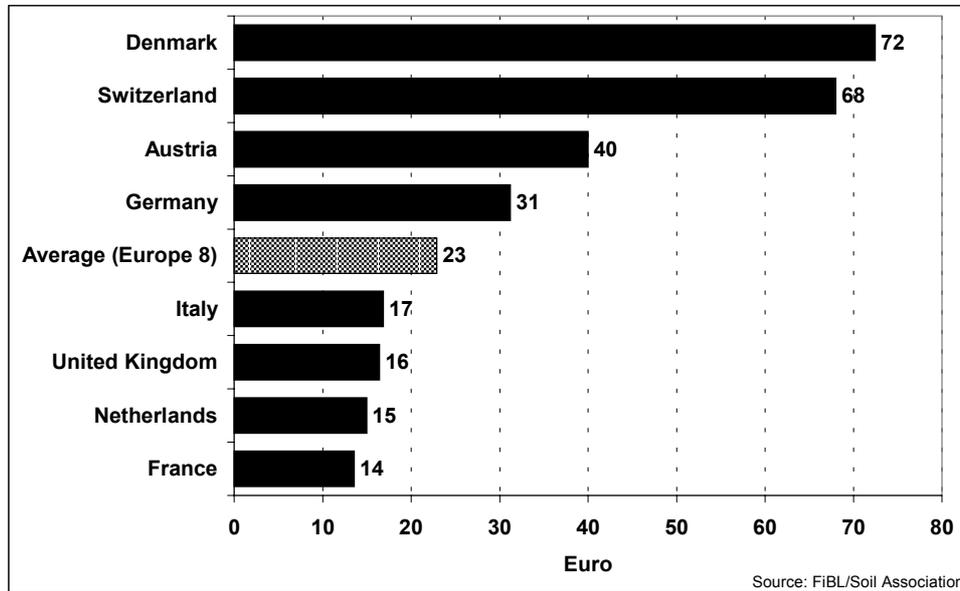


Figure 13: Per capita sales of organic produce in selected European countries (2000)

However, the individual national organic markets are at different stages of development. In countries such as Portugal and Greece the organic market is still in the pioneer phase. In Italy, France and Great Britain a first boom phase in the marketing of organic produce was apparent in recent years. Also, in countries with relatively mature organic markets such as Austria, Switzerland, Denmark and Sweden the organic market grew steadily in recent years to their current high level, supported by national government activities as well as by active market development measures by the leading national retail chains.

Generally it is noticeable that those countries where most products are sold via supermarket chains are also the countries where the organic market share is highest. In many countries, including Switzerland, already more than 70% of organic products are sold through multiple retail chains (see figure 14).

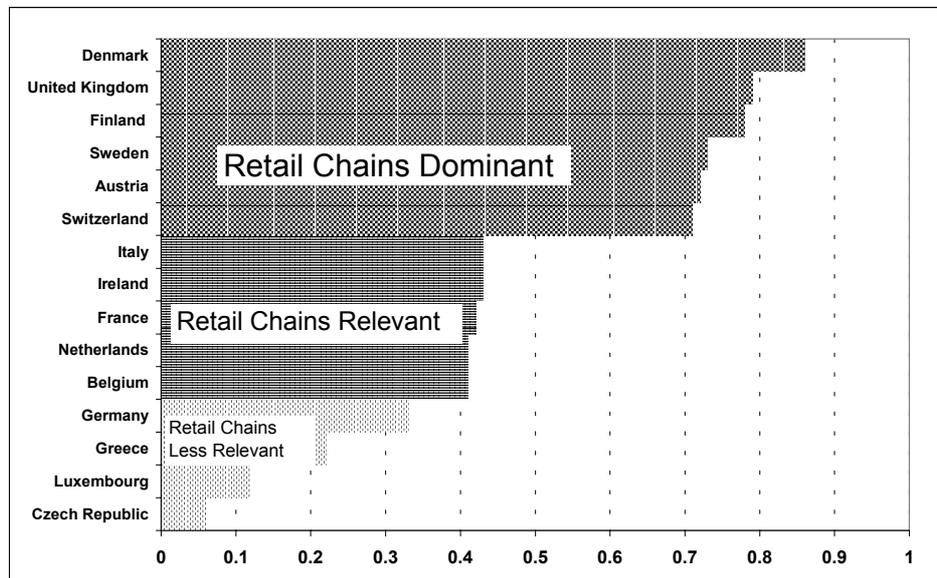


Figure 14: Share of organic products' value sold via retail chains in European countries (2000)

Despite the increasing importance of multiple retail chains as sales channels for organic products, natural food shops and reform houses were not disadvantaged. On the contrary, in most European countries specialised shop channels profited from the general organic boom and their sales increased.

In recent years the supply and demand development in the European organic market was relatively balanced. On the one side stood strongly organic export-dependent countries such as Italy, on the other there were organic import-dependent countries such as Great Britain. National extremes of supply and demand were usually self-adjusting. The current situation seems to be in a state of change. In Great Britain, an increasing self-sufficiency in organic products is estimated, whereas in Italy national demand is predicted to grow increasingly. Above all, North American producers are putting pressure on the European market. Due to different national market developments, in the future foreign trade will be less characterised by an exchange of national demand and supply surpluses than by price competition, supply volumes and the integrity of suppliers along the value added chain.

An increasing proportion of organic produce (particularly grain) is already imported into Western Europe from Central and Eastern Europe. Due to limited finance availability, farmers in these countries use traditional and extensive methods even in conventional production. The reduction of profit following conversion to organic agriculture is therefore clearly lower than for Western

European farms with relatively intensive production. Central and Eastern European organic suppliers with lower operating costs are able to provide organic products at relatively low prices. Following the European Union extension to the East, if the domestic markets for organic products in Central and Eastern European countries are not quickly developed, and if governmental support for organic producers in these countries strongly promotes production, a large supply stream of organic products could flow to Western Europe. In the future there should be a strategy to promote domestic marketing activities rather than production in the accession countries of the European Union.

The increasing trend towards often anonymous international organic trade leads more and more to an increasing demand by large organic traders for safe and traceable production origins. Scandals in the marketing of organic products in the recent past in Europe give an urgency to the call for stricter controls. Due to the differences in national organic guidelines, and the different understanding of organic production, it is likely that IFOAM standards for imported products could increasingly become the minimum acceptable standard. Enterprises like Sainsbury's in Great Britain, for example, only import the products of IFOAM accredited certification bodies. For Sainsbury's this is a system of quality assurance and a signal of confidence for consumers.

For the future in Europe, further growth of the organic market is expected. In the medium-term approximately a 5% organic market share is estimated by market experts as realistic. Large multiple retail chains will retain a leading role in the development of the organic market. The constantly growing demand by consumers will be encouraged by their distrust of conventional production methods, particularly if conventional agriculture is unable to communicate a clearer message to reassure consumers' safety concerning such topics as GMO's, livestock feed and animal husbandry.

7.4.4 EU Legal Framework

With EU regulation on organic production 2092/91 considerable protection for both consumers and producers has been achieved. This regulation has been implemented in all countries of the European Union since 1993. In December 1999, the European Commission decided on a logo for organic products. This can be used for all produce whose production is regulated by EU regulation 2092/91.

The brochure "Organic farming – Guide to Community Rules", published by the European Commission in 2001 provides extensive information about EU regulation 2092/91.

Also, in countries outside the European Union, organic products are either legally protected, or the development of organic regulations is in progress (e.g. Norway, Switzerland, Hungary, Slovenia, Czech Republic). Several EU countries have developed their own national regulations as well as national logos for organic products, in some cases this occurred long before the EU regulation on organic production came into force.

Table 12: Logos (government and private) for organic products in Europe

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

These logos, for instance those in Denmark or in Austria, are well known and much trusted by consumers. The existence of these logos is one reason for the organic boom in these countries.

EU regulation 2092/91 has undoubtedly brought considerable security for consumers, but consumer confidence clearly needs to be increased by extra measures at national level.

In some countries (particularly Italy and Germany) organic products are mainly labelled with private seals, which are numerous. Germany has had a state logo since September 2001.

7.4.5 Organic Farming Research in Europe

Today organic farming research is organised differently in the European countries. Until the 1980s it was mainly carried out by private research institutes, which have been the driving force for the development of organic farming research since the 1920s, starting off with bio-dynamic research (e.g. Landwirtschaftliche Sektion am Goetheanum, Switzerland, Institute of Bio-Dynamic Research in Germany).

In many countries private research institutes still play a major role for organic farming research: e.g. FiBL in Switzerland, Louis-Bolk Institute in the Netherlands, Elm Farm Research Centre and Henry Doubleday Research Association (HDRA) in the UK.

In 1982 the first professorial chair for organic agriculture was established in Witzenhausen, Germany. In some countries most of the organic farming research takes at place at university level (Germany, Sweden, many Central Eastern European Countries).

The mid nineties saw a major move of state funded agricultural research towards organic farming research, and in Denmark a state research structure for organic farming research was established (Danish Centre of Organic Farming Research DAR-COF).

Since the end of the 1990s in other countries too state funded research is increasingly gaining importance (e.g. Institut National de la Recherche Agronomique INRA in France, Bundesforschungsanstalt fuer Landwirtschaft FAL in Germany).

In 2002, the European Commission started to co-ordinate research efforts on a European basis (European Commission, 2002). The International Society of Organic Agriculture Research (ISO FAR), to be founded in 2003, will facilitate the international scientific exchange within the scientific community

(www.isofar.org). Under the European Union's research framework programmes several organic farming projects have been funded, for example:

- **Organic Inputs Evaluation (2003-2005)**
Scientific Co-ordination: FiBL Switzerland
- **Further Development of Organic Farming Policy in Europe, with Particular Emphasis on EU Enlargement (2003-2005)**
Co-ordination: Research Institute of Organic Agriculture (FiBL), Switzerland and University of Wales, Institute of Rural Studies, UK
- **European Information System for Organic Markets (EISfOM)(2003-2005)**
Co-ordination: University of Wales, Institute of Rural Studies, UK
- **Organic Market Initiatives and Rural Development (OMIARD) (2000-2003)**
Co-ordination: University of Wales, Institute of Rural Studies, UK
- **Development of a systems approach for the management of late blight in EU organic potato production (Blight-Mop) (2001-2005)**
Co-ordination: Tesco Centre for Organic Agriculture; University Newcastle upon Tyne, UK
- **Effects of the CAP-reform and possible further developments on organic farming in the EU (1997-2000)**
Co-ordination: University of Hohenheim, Stuttgart, Germany

The addresses of the named institutions may be found in the address database at www.organic-europe.net. In the calls under the Sixth Framework Programme, which was launched in December 2002, organic farming plays a more prominent role than in earlier programmes, and it may be expected that several organic farming projects will be funded under these (see http://europa.eu.int/comm/research/fp6/index_en.html).

7.4.6 State Support for Organic Agriculture

Several EU regulations under Agenda 2000 constitute the reform of the Common Agricultural Policy of the European Union (CAP) for the period 2000 to 2006. With the Rural Development Regulation (No. 1257/99) it is possible to support organic farming with subsidies in various ways: agri-environment programmes, investment aid, marketing aid, and regional development and demonstration farms.

Payment rates differ substantially from country to country. Conversion grant-aid in the year 2000 was 180 Euro (average) in Germany, 440 Euro in Finland and 1250 Euro in Switzerland. It may be expected that after the Agenda 2000's mid-term review in 2003 more support will be given to organic farming.

7.4.7 Action Plans

At the Conference "Organic Food and Farming – Towards Partnership and action" in Denmark, 10./11.5.2001 agriculture ministers from 12 European countries called for a European action plan for the development of organic farming and food (Ministry of Food, Agriculture and Fisheries 2002).

The Copenhagen Declaration was signed by agricultural ministers and by IFOAM, by representatives of the European farmers' association COPA, by the European association of consumer co-operatives, Euro Coop, and by the European Environmental Bureau. Within the next two years the European Action Plan should: analyse the barriers to and potential for further growth of organic production; present a market-based strategy; cover all aspects concerning the development of organic food and farming; analyse the relationship of the development of organic food and farming and the Common Agricultural Policy.

Following the Copenhagen conference on organic farming in June 2001 the European Council of Agricultural Ministers agreed a conclusion on organic farming, and invited the European Commission to consider a European Action Plan for Organic Food and Farming. In recognising that organic farming was one way of achieving sustainable development, the conclusion also invited the Commission, the Member States and stakeholders to share ideas on what further action could be taken at European Union level.

Currently, the action plan is being developed further by members of the European Commission, assisted by the IFOAM European Union group as well as by scientists who have already developed concepts for action plans under the European Union's research programmes.

7.4.8 Country Reports

Germany

The German government aims at a 20% by 2010. At present 632,165 hectares are managed organically by 14,703 farmers (31.12.2001). This constitutes 3.7% of the agricultural land, slightly more than the European Union average.

If the proportion of land farmed organically is to reach 20% of the agricultural area, higher growth rates than achieved so far will be necessary. Even though the German market is the biggest market in Europe in absolute terms, the market share is still small (1.6%).

The reasons for this slow development up to 2001, in spite of the long history of organic farming, can be seen in: the fragmented organic movement, low supermarket involvement, lack of political support, lack of clear labelling, lack

of support e.g. from conventional farmers organisations or research institutions, lack of research, lack of dialogue between researchers and end users of research, and lack of information for farmers and consumers. Aiming at 20% organic in a period of less than ten years is therefore a major challenge for the German organic sector and the Minister of Consumer Protection, Food and Agriculture, Renate Kuenast, who is currently implementing several measures to promote organic farming.

A federal support programme for organic farming (Bundesprogramm Oekologischer Landbau) was launched, under which a number of measures are taken, for example:

- Central Internet Portal www.oekolandbau.de
- Trainee programme for future advisors
- Information seminars
- Network of organic demonstration farms
- Training materials
- Consumer Information
- PR work for organic farming
- Research Programme / Studies

Even though these measures are only beginning to be implemented their announcement and the change towards a climate more pro-organic in Germany has already made an impact. For instance, the agricultural magazines have substantially increased their information and articles on organic farming. Sales of organic foods have increased, more organic food can now be found in supermarkets, and the organic sector has begun to restructure itself. In 2001 a growth of 16% in the area of land under organic management was achieved.

7.4.9 Future

The land area under organic management has increased continually since the mid 1980s throughout the European Union. This is due to strong consumer demand and a growing market, European Union support through area payments, the implementation of EU regulation 2092/91 and its amendments, and farmers looking for alternatives due to food scares and the BSE-crisis.

Almost all European governments now provide strong political support and this was demonstrated at the European Conference on organic farming held in Denmark in May 2001. In order to achieve the targets which many governments have set themselves further efforts will, however, be needed, including full political support for organic farming.

Current challenges therefore include good co-operation by the private organic sector with governments to forge action plans and further to support organic farming as well as regulation related issues. Another challenge is the 6th research framework programme which offers vast possibilities for funding organic farming research. These funding sources require good project proposals which require excellent collaboration between colleagues both within as well as outside the organic farming research community. And finally, EU enlargement, due from 2004 onwards, needs to be prepared in order to guarantee a balanced development of the organic market within Europe.

Table 13: Land Under Organic Management and Number of Organic Farms in Europe (SOEL/FIBL-Survey as of February 2003; for up-dates please check www.organic-europe.net/europe_eu/statistics.asp)

Country	Date	Organic Farms	% of all Farms	Organic Hectares	% of Agricultural Area
Austria	2001	18,292	9.30	285,500	11.30
Belgium	2001	694	1.03	22,410	1.61
Bulgaria	2000	50		500	
Croatia	1998	18		120	
Cyprus	2000	15		52	0.04
Czech Republic	2001	654	2.37	218,114	5.09
Denmark	2001	3,525	5.58	174,600	6.51
Estonia	2001	369	0.20	20,141	2.00
Finland	2001	4,983	6.40	147,943	6.60
France	2001	10,364	1.55	419,750	1.40
Germany	2001	14,703	3.28	632,165	3.70
Greece	2001	6,680	0.81	31,118	0.60
Hungary	2001	1,040		105,000	1.80
Iceland	2001	27	0.80	5,466	0.60
Ireland	2001	997	0.69	30,070	0.68
Italy	2001	56,440	2.44	1,230,000	7.94
Latvia	1999	225		20,000	0.79
Liechtenstein	2001	35	28	690	17.00
Lithuania	2001	430		6,769	0.19
Luxembourg	2001	48	1.60	2,141	1.71
Netherlands	2001	1,528	1.42	38,000	1.94
Norway	2001	2,099	3.09	26,673	2.62
Poland	2001	1,787	0.07	44,886	0.30
Portugal	2001	917	0.22	70,857	1.80
Romania	2001	1,200		18,690	0.20
Slovakia	2001	82		58,706	2.40
Slovenia	2001	883		5,280	0.67
Spain	2001	15,607	1.29	485,079	1.66
Sweden	2001	3,589	4.01	193,611	6.30
Switzerland	2001	6,169	10.20	102,999	9.70
Turkey	2001	18,385	0.09	57,001	0.14
U.K.	2001	3,981	1.71	679,631	3.96
Yugoslavia	2001			15,200	0.30
SUM	2001	175,816		5,149,162	

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7.5 Latin America

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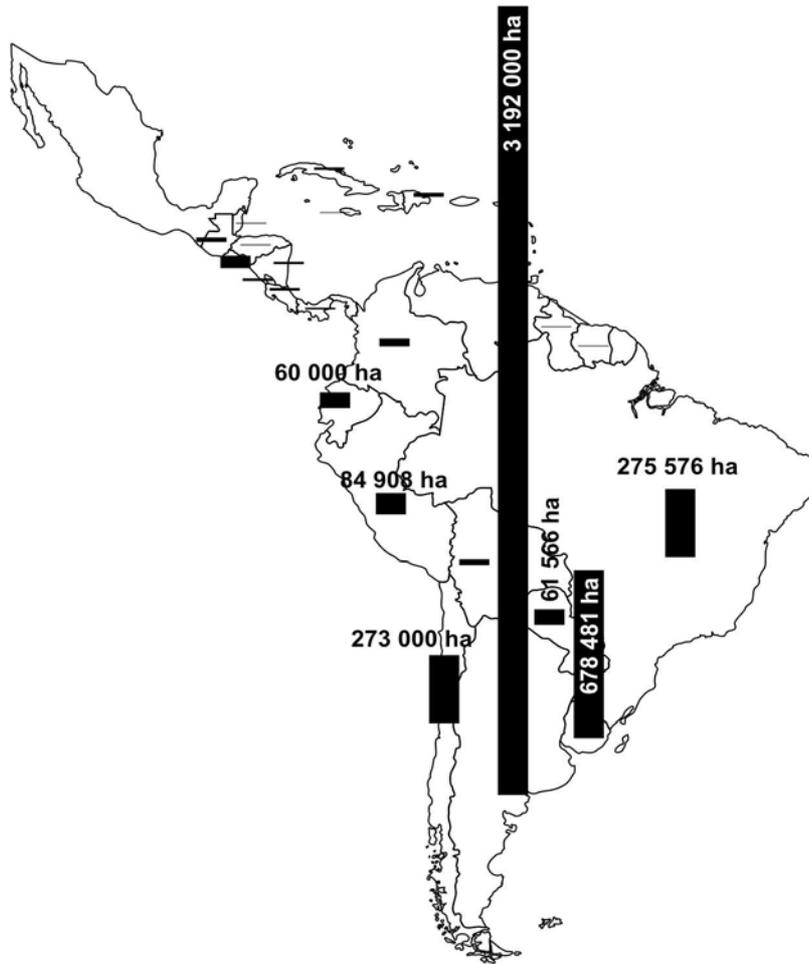


Figure 15: Organic Agriculture in Latin America

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7.5.1 General Overview

In many Latin American countries the area of organic land is almost 0.5 percent, and – starting from a low level – growth rates are extraordinary. The total organically managed area is now 4.7 million hectares.

Almost all Latin American countries have an organic sector (see table 14), though the level of development varies widely. The countries in Latin America with the highest percentages of organic land are Argentina, Uruguay, Brazil and Chile. A major part of the 3.2 million organic hectares in Argentina are extensive grassland. Additionally, 10,642,750 hectares are certified “wild harvested plants”.

7.5.2 Traditional Farming

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

The Incas had developed a real soil and production science, they were farming millions of hectares and distributing seeds throughout an empire that stretched from Central America to the North of Argentina and Chile. Probably over a thousand varieties of potatoes, now a staple food in countries throughout the world, were being used at that time.

All these farming traditions are still alive today among the farmers of indigenous descent in the Andes Mountains, from Mexico to Argentina. Recently, though, hundreds of thousands of these small farmers have turned to the organic movement to reinstate respect and dignity to their craft. Many associations have been formed so that farmers can manage a small family vegetable plot, while also producing organic crops such as coffee, cocoa, sugar and bananas for export. Others have united together to ensure their vegetables and fruits reach the weekly markets around the cities.

7.5.3 Marketing

Local Markets

Some countries in Latin America have an internal market for organic products. In Brazil, for example, some producers' associations, like Cae Ipé in the southern states, collect their members' vegetables and fruit together once a week and take them in their own trucks to the markets in the big cities, selling

in farmers' markets or supermarkets under the name of the farmer or the brand name of the association. A very similar but smaller situation can be seen in Ecuador through the organisation MCCH (Maquita Cushunchic Comercializando Como Hermanos). In Argentina, organic produce is supplied to dozens of supermarkets by growers who have formed groups in order to offer a wide variety of organic fruits and vegetables and make them available to all segments of society.

Supermarkets

Supermarkets in the South American continent are beginning to sell organic products. For instance, among other countries, organic vegetables can now be found in supermarkets in Uruguay, Costa Rica, Honduras, Peru, Brazil and Argentina. The range of processed organic products for sale is limited due to the difficulty of acquiring large enough quantities of organic produce for processing. However, Argentina has a wide variety of oils, flours, honeys, wines, and teas on the shelves.

Some supermarket chains have developed their own organic brands for their clearly defined organic sector. Sol de Acuario, an Argentinean company, has a wide variety of certified products in Argentinean supermarkets, ranging from teas to breakfast cereals and corn flour.

Specialised Shops

Most Latin American countries have specialised stores, or health food stores, where organic farmers can take their products to sell to an informed clientele. At the IFOAM Local Markets Conference in Buenos Aires, one of the conclusions from the Latin American participants was that the owners of the specialised shops help the organic market to grow by spreading the news about new products, and teaching consumers the importance of respecting the harvest seasons.

Popular Fairs

Probably the most popular form of organic trade in Latin America is the farmers' market. Many local governments subsidise this type of marketing, helping the farmers by providing the stalls and some advertisement. Although each of these local markets has only a small economic significance, they are very important for small farmers, and in total they represent an important proportion of the continent's organic market.

Box schemes and home delivery

Another important organic trade system is the box scheme. In big cities, many producers organise a planned weekly home delivery route with boxes containing vegetables and fruits, and sometimes milk products and eggs brought in by other farmers.

In many cases, successful box schemes have been the starting point for other methods of selling organic produce, and have resulted in the development of producer associations and specialised shops. For instance, after ten years of box schemes in Argentina, which probably has the largest internal market for organic produce in the continent, a consumers base had been developed that was big enough to allow producers to step up to more lucrative super-market sales. Uruguay is following the same pattern and Brazil has regional groups that have been reaching the public with organic produce through home delivery for almost 20 years.

Many groups of vegetable producers in Brazil, Argentina and Perú are reaching the public with the same prices as conventional vegetables, and make it a political point: "Let all the consumers choose freely, not just the rich."

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

Exports

Despite the growing demand for organic produce in Latin American countries, the export market remains the main outlet for most crops. From the coffee beans and bananas of Central America to the sugar in Paraguay and the cereals and meat in Argentina, the trade of organic produce has been mostly oriented to foreign markets. This trend is typical of southern countries, with poorly developed national markets and a great need of cash to pay their international debts. It is also true that the basic products are normally exported from these countries without any added value, and that processing tends to take place in the developed countries for their national markets.

It is very difficult for organic producers in the continent to meet the quality standards and regulations demanded by international markets. This is also due to the lack of information and support from governments and traders which would be needed to develop capacity on quality control.

Nevertheless, the range of products is high, and one could put together entire meals with what the continent exports, including coffee, sugar, honey, fruits and cereals for breakfast, meat, all kinds of vegetables, oils, grains, wine and fruit juices for lunch and dinner, and maybe even some herb teas and sweets for dessert.

In Costa Rica, around 30% of the territory is a protected natural area, and there are many organic projects developing in the area that have been initiated by the government. In Honduras, and many other countries, multinational companies are buying land to produce organic for export. In Argentina, the well known Benetton Italian family has bought and certified 600,000 hectares for organic lamb and wool production.

Fresh Fruit

Many Latin American countries sell their fruit harvest to Europe and the United States: Brazil, for example, sells apples and grapes; Chile exports kiwis, raspberries and strawberries; Colombia, Honduras and Dominican Republic sell bananas, pineapples, mangoes and other tropical fruits; Argentina sells apples, pears and citrus fruits; and Mexico also has apples, avocados and bananas on the world market.

Pineapple is a growing export possibility in Central America. 1.7 million kg of banana are exported yearly from Costa Rica for baby food production in Europe and America.

Vegetables

Argentina, Brazil and Chile are the main exporters of organic vegetables, both fresh and dried. Costa Rica and other Central American countries also export fresh vegetables, but in smaller quantities.

Cereals and Pulses

Paraguay is a big soybean producer, together with Argentina and Brazil, who also produce and export corn and wheat. Organic grain farmers in the south of the continent are having a growing problem with Genetically Modified plants like soy (RR) and corn (Bt), that have become mainstream in the area.

Coffee

Mexico is one of the largest coffee producers in the world, with tens of thousands of tons of coffee beans, mostly harvested by small indigenous farmers, reaching the world's biggest supermarkets and coffee shops. Organic coffee is also an important export for Bolivia, Nicaragua, Guatemala and other Central American countries. Production is mostly shade-grown, an ecological forest management system that creates a valuable alternative to deforestation.

30% of Perú's coffee production is already organic. When, as in 2001, the price of the coffee is too low, farmers get more income from their diversified production, selling tropical fruits to small processing plants. In Costa Rica this alternative is called "Organic Integrated Farms".

Cocoa

Most of the coffee-producing countries also harvest cocoa for chocolate production, which is usually exported as the raw product and processed in Europe. Like coffee, it is also a very important source of income for small farmers throughout Central America and the tropical areas of South America.

Sugar

The organic sugar producers in the area include Paraguay, Ecuador and Argentina. Production systems vary but a proportion comes from small farmers in co-operatives.

Meats

Argentina is the biggest beef exporter in the region, with more than a million hectares of certified land for meat (beef and lamb) production. It also exports poultry. There is a strong internal market for organic meats in Argentina.

Uruguay is beginning to produce organic meat.

7.5.4 Certification

With the exception Argentina, which has a "third country" status in the European Union, all other Latin American producers need to be re-certified by a European company to enter the European market. Most export products in Latin America are certified by American or European companies anyway, because the buyer requires the certification. OCIA (Organic Crop Improvement Association) and FVO (Farm Verified Organic) from USA and Naturland, OEKO Garantie, Ecocert and IMO Control from Europe are very active in the area.

There are, however, some national certification bodies in the continent, like Argencert and OIA (Argentina), Instituto Biodinamico (Brazil) and Bolicert (Bolivia) – all IFOAM Accredited, and Biolatina (Perú and others). Other working agencies are Ecológica from Costa Rica, Bio Nica from Nicaragua, Maya Cert from Guatemala and CertiMex from México. Chile has Proa and Uruguay has Urucert and SCPB (Sociedad de Consumidores de Productos Biológicos).

Costa Rica has protected national standards for organic agriculture; Paraguay and Chile are working on their development, and Argentina's national law and its standards date back to 1992.

The region is beginning to discuss Social Criteria for Standards. In October 2001, representatives from many countries got together in the "1st IFOAM Seminar on Social Responsibility in Organic Agriculture", in Cochabamba, Bolivia, to discuss the details of Social Standards and Codes of Conduct.

7.5.5 Governmental Support

No Latin American government provides direct subsidies or economic aid for organic production. However, some countries do offer indirect support. In Mexico, for example, the Social Development Secretary is supportive. Costa Rica supplies official funding for organic research and teaching, while in Argentina and Chile export agencies help producers attend international fairs and print product catalogues.

Peru has recently developed an official National Commission of Organic Products.

In general, though, the organic movement in Latin America has grown through its own efforts, aided by seed funding from international aid agencies, particularly from Germany, the Netherlands and Switzerland, for extension and association building.

7.5.6 Education and Extension

Latin America has a great deal of educational activity relating to ecological agriculture. Many universities and agricultural organisations offer courses and on-farm experimental projects.

Cuba had a well developed teaching and research project carried out by the organic association ACAO, and the Brazilian Instituto Biodinamico has done very systematic work on farm production. Agruco and Agrecol have done a lot of extension work over the years, leading to strong support for food security and increased farmers' knowledge, especially in the Andean region.

┌ Latin America

MAELA (Movimiento AgroEcológico para Latinoamérica y el Caribe), an international movement of agro-ecology linking around 80 groups in many countries, has done extension work with small farmers from all over the entire continent for many years, specially focussing on self-sufficiency and related skills.

CLADES (Consortio Latino Americano sobre Agroecología y Desarrollo), led by Miguel Altieri and Andres Yurcevic, has built a very thorough body of knowledge and experience surrounding agro-ecology and biodiversity issues, connecting universities (especially in the United States) with farmer groups and extension agencies, publishing very complete studies and giving lectures in all countries. Miguel Altieri is probably the most articulate spokesperson for ecological farming in the region.

IFOAM, representing all, has been supporting and aiding the growth of organic projects throughout the region, while uniting various currents of the movement through large conferences. Noteworthy events have included the Sao Paolo Scientific Conference in 1992 and the Mar del Plata Scientific Conference in 1998, both big international gatherings that took place in the area. The Latin American IFOAM Local Markets Conference was held in Buenos Aires in June 2000.

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

Table 14: Organically Managed Land and Organic Farms in Latin America (Source: SOEL Survey, February 2003)

Country	Date	Organic Farms	% of all Farms	Organic Hectares	% of Agricultural Area
Argentina	2001	1,900		3,192,000	1.89
Belize	2000			1,810	1.30
Bolivia	2001	5,240		19,634	0.06
Brazil	2001	14,866	0.3	275,576 ²	0.08
Chile	2001	300	0.09	273,000	1.50
Colombia	2001	4,000		30,000	0.24
Costa Rica	2000	3,569		8,974	2.0
Cuba	2000			8,495	0.13
Dominican Rep.	2001	12,000		14,963	0.40
Ecuador	2001	2,500		60,000	0.74
El Salvador	2000	1,000		4,900	0.31
Guatemala	2000	2,830		14,746	0.33
Guyana	2001	26		425	0.02
Honduras	2000	3,000		1,769	0.06
Jamaica	2001	7		205	0.04
Nicaragua	2001	2,000		7,000	0.09
Panama	2000			5,111	0.24
Paraguay	2001	2,542		61,566	0.26
Peru	2001	19,685		84,908	0.27
Suriname	1998			250	0.28
Trinidad & Tobago	2001	0		0	
Uruguay	2001	334		678,481	4.0
SUM		75,799		4,743,813	

²Referring to Banco Nacional de Desenvolvimento Economico e Social there are differences in classification criteria, so about 600,000 ha pasture - which were included in our last survey - are not regarded as certified organic.

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7.6 North America

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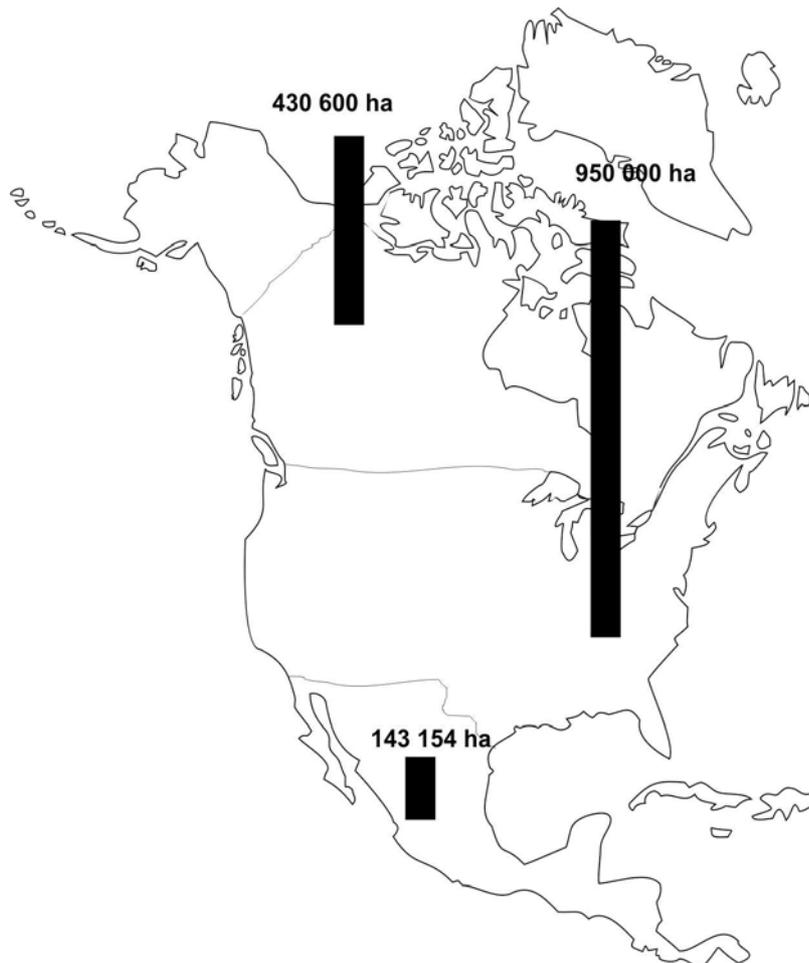


Figure 16: Organic Agriculture in North America

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7.6.1 Market

In North America more than 1.5 million hectares are managed organically, representing approximately a 0.25% share of the total agricultural area. In the meanwhile the number of farms is more than 45,000.

Retail sales of organic products were expected to reach nearly \$12 billion (US) by the end of 2002, with U.S. sales alone representing more than \$11 billion (US) dollars. This continued growth is due to rising consumer demand and increased availability of a wide selection of organic products.

The full implementation of U.S. national organic standards by the U.S. Department of Agriculture (USDA) in October 2002 brought intense media coverage of organic agriculture and products, making more consumers aware of these offerings not only at farmers' markets, natural food markets and health stores, but also in mainstream supermarkets. In addition, new labelling options offered with the national standards, particularly the use of a "USDA Organic" seal for products containing at least 95 percent organic ingredients, were seen as a positive step for marketing organic products.

7.6.2 Country Reports

United States

Organic farming continues to be one of the fastest growing segments of U.S. agriculture. Certified organic farmland, including cropland and pasture, in the United States grew from 935,450 acres (nearly 417,000 hectares) in 1992 to more than 1.35 million acres (nearly 550,000 hectares) in 1997, and again to more than 2.3 million acres (nearly 950,000 hectares) in 2001, according to the U.S. Department of Agriculture's Economic Research Service.

The 2001 figures include slightly more than 1.3 million acres in cropland, with the remainder devoted to pasture and range land. California, North Dakota, Minnesota, Wisconsin, Iowa, Montana and Colorado led in organic cropland, while Colorado, Texas and Montana had the most organic pasture and rangeland. The survey counted nearly 7,000 certified organic growers in 2001.

Despite the growth in acreage, certified organic farmland still only represents about 0.3 percent of all U.S. cropland and 0.2 percent of all pasture. Obstacles to organic adoption cited by growers include high managerial costs and risks of shifting to a new method of farming, limited awareness of organic farming systems, lack of marketing and infrastructure, and inability to capture marketing economies.

Many U.S. producers, however, are embracing organic farming in order to lower input costs, conserve nonrenewable resources, capture high-value markets, and

boost farm income, especially as prices fall for staple commodities. The report, along with numerous tables, is posted at www.ers.usda.gov/data/organic.

In 1999, the U.S. Department of Agriculture lifted restrictions on organic meat labelling. As a result, by 2001, many areas of the country raise certified organic livestock.

Meanwhile, organic products are available in nearly 20,000 natural foods stores, at farmers' markets, and in 73% of all U.S. conventional grocery stores, according to a 42-page report by Carolyn Dimitri and Catherine Greene of USDA's Economic Research Service.

Fresh produce is the top-selling organic category, followed by non-dairy beverages, breads and grains, packaged foods (frozen and dried prepared foods, baby food, soups, and desserts), and dairy products. During the 1990s, organic dairy was the most rapidly growing segment, with sales up over 500% between 1994 and 1999.

U.S. retail sales of organic foods and beverages, which have grown approximately 20-24% per year for the past 12 years, are estimated to have reached slightly more than \$11 billion (US) during 2002, representing about two percent of overall U.S. retail food sales. The U.S. market is expected to continue to grow, particularly with full implementation of national organic standards.

These U.S. standards require mandatory certification by a USDA-accredited certification agent for products labelled "100 percent organic," "organic," or "made with organic" on U.S. market shelves. Anyone claiming a product is organic without certification to U.S. standards will be subject to a fine of \$10,000 (US) or a year in prison. Producers selling less than \$5,000 (US) worth of organic products a year are exempt from becoming certified; however, even they must follow provisions of the national organic standards.

In May 2002, President George W. Bush signed the 2002 Farm Bill into law. This is the first U.S. farm bill to offer conservation support to all farms and to offer organic farmers a share. It acknowledges farm conservation efforts, establishes an organic research program, provides cost-share for organic certification, and sets in place a way to exempt organic production from mandatory market assessments.

An eleventh-hour change to the 2002 Farm Bill, for instance, exempts farmers who solely produce and market 100% organic products from paying assessments to mandatory commodity promotion programs. It does not exempt those who grow both organic and non-organic products, nor handlers of organic products. This amendment requires the Secretary of Agriculture to promulgate regulations regarding eligibility for and compliance with such an exemption within a year of the Farm Bill's enactment.

Other last-minute changes to organic provisions within the Farm Bill secured \$5 million (US) for a national organic certification cost-share program. As a result, producers may receive up to \$500 (US) through cost-share payments for 75 percent of their costs related to certification. This money is channelled through the individual states, which must apply for it on behalf of their organic producers.

In addition, the Farm Bill earmarked \$15 million (US) – \$3 million each year from 2003 through 2007 – for research targeted to meet the needs of organic food producers and processors.

Other provisions require that USDA gather production and marketing data on organic agricultural products, examine the impediments and constraints to organic products caused by federal marketing orders, facilitate access of organic producers to international organic research, and report back to Congress on the impact of the national organic program on small farms.

According to the Organic Trade Association, many of these provisions are milestones for the industry. Finally, it will be possible to begin collecting official data on the U.S. organic industry and to provide research to help advance farmers' use and understanding of effective organic practices.

Meanwhile, during 2002, the Organic Trade Association successfully filed Articles of Incorporation to establish The Center for Organic Education and Promotion, a new charitable non-profit organization to serve the U.S. organic industry. The chief mission of this independent center will be to educate the public about the importance of organic agriculture and its products to good health, quality of life, and the creation of a sustainable global environment. The center will partner with research groups to bring together all of the latest research and science-based information about the benefits of organic. It aims to use that science-based data to create compelling consumer communications programs.

New organic labels

Passage of the Organic Foods Production Act (OFPA) in 1990 by Congress set the framework for U.S. national organic standards. However, it was not until USDA published a final rule in December 2000 that OFPA could be implemented. Spelling out detailed provisions governing the production and handling of certified organic products in the United States, this final rule was fully implemented in October 2002.

As a result, there are now consistent standards for all organic food products marketed in the United States, no matter where they were produced, including overseas. The regulations also cover farm practices for organic agricultural products destined for non-food use, such as cotton or wool. Such consistency provides consumers with the assurance that items labelled as organic truly have been produced and handled according to strict requirements.

As of early November 2002, USDA had accredited 67 agencies throughout the world to certify operations as organic. In addition, USDA had received applications for accreditation from 63 other agencies. Names of accredited certification agencies are posted on the National Organic Program website (www.ams.usda.gov/nop). This site is updated periodically as more agencies become accredited.

The new national organic standards allow four different labelling options based on the percentage of organic ingredients in a product:

100 percent organic. Only products that have been exclusively produced using organic methods are allowed to carry a label declaring “100 percent organic.”

Organic. This signifies that at least 95% of the ingredients (by weight, excluding water and salt) in a processed product have been organically produced. The remaining contents can only be natural or synthetic ingredients allowed on the National List.

Made with organic. Products with 70-95% organic ingredients may display “Made with organic [with up to three specific organic ingredients or food groups listed]” on the front panel.

Products with less than 70% organic ingredients can list the organic items **only** in the ingredient panel. There can be no mention of organic on the main panel.

In all four labelling categories, the product cannot use both organic and non-organic versions of any ingredient that is listed as organic. For instance, if a bread is made with organic wheat, all of the wheat in the bread must be organic. The first three categories prohibit the inclusion of any ingredients produced using genetic engineering, irradiation, or sewage sludge.

To assist consumers, USDA has designed a seal that may be used on products labelled as “100 percent organic” or “organic.” Use of the USDA Organic seal is voluntary. The actual percent of organic content may be displayed on all products, regardless of label category.

Canada

According to Agriculture and Agri-Food Canada, organic agriculture in Canada has also grown rapidly due to consumer demand. There are approximately 3,200 certified organic Canadian farms, with certified organic area totalling approximately 430,000 hectares. There are 45 organic certifiers in Canada, and more than 320 processors and handlers of organic foods (Agriculture and Agri-Food Canada).

Canada is seen as ideal for producing organic food because of its large and varied land base and cooler climate, which helps reduce pest and disease problems. Organic grain production is the fastest growing organic sector, and also represents Canada's largest organic export commodity.

Most of the organic products produced in Canada are exported, primarily to the United States. Canada also exports to the European Union and Japan. Saskatchewan, Ontario, Quebec and British Columbia are the main exporting provinces.

Approximately one in twenty fruit and vegetable farms in Canada use organic methods. Retail and food service sales of organic processed and non-processed products are estimated to be between \$460 million and \$660 billion (US), and are expected to grow to \$2 billion (US) by 2005. The domestic organic market is strongest in British Columbia, Alberta, Quebec, and Ontario.

Full implementation of U.S national organic standards is expected to affect Canadian exporters of organic products, although the immediate effect is unclear. Canada's organic sector, which has enjoyed a 15 to 20 percent annual growth rate over the past decade, could take a heavy blow if Canada's organic standard is not acceptable to USDA.

Agriculture and Agri-Foods Canada published Canada's National Standard for Organic Agriculture three years ago, but, as it stands now, it is a voluntary standard. The province of Quebec, however, has a mandatory regulation, which has already been recognized by USDA.

USDA is allowing a transition period of one year for Canadian organic imports. As a result, Canadian products from the 2002 harvest will be accepted, but subsequently, U.S. acceptance of Canada's standard will be needed for Canadian organic products to enter the United States.

During 2002, the Canadian General Standards Board conducted a review of Canada's National Standard for Organic Agriculture in an effort to harmonize its provisions with standards from around the world as well as domestically. In November 2002, the board's Committee on Organic Agriculture narrowly rejected proposed revisions as drafted. This forced another go-around to develop resolutions to address the objections raised. The review process,

although originally expected to be completed before year's end, will more likely be completed during the first quarter of 2003. The revised standard would then be submitted to the Standards Council of Canada for final ratification. Even so, it is anticipated the revised organic standard will remain voluntary, rather than a mandatory, codified federal regulation.

In 2001, Canadian Agriculture and Agri-Food Minister Lyle Vanclief announced \$560,000 (US) in federal funding for the Organic Agriculture Centre of Canada based at the Nova Scotia Agricultural College in Truro. The funding is being used for web-based organic agriculture courses for students and farmers across Canada, nationwide on-farm research on organic transition strategies, market research on consumer demands and opportunities for organic producers, the sorting and cataloguing of existing research, and for developing a help desk and newsletter (*The Organic Report*, September 2002).

During 2002, plant science researchers at the University of Saskatchewan began a three-year project to examine some of the problems of growing organic grain in the province. Issues to be examined include soil fertility and quality, crop rotations, and weed management (*The Organic Report*, June 2002). Also during 2002, the Canadian Agricultural Rural Communities Initiative earmarked \$40,000 (US) for a project to promote better use of organic agriculture for economic development in remote rural communities in the province of Quebec.

During early 2002, organic farmers in Saskatchewan filed a class action suit against Monsanto and Aventis seeking compensation to all certified organic farmers in the province for damages caused by Monsanto and Aventis genetically engineered (GE) canola. The suit also asked for an injunction to prevent Monsanto from introducing GE wheat in the province. The suit points out that the spread of GE canola across the prairies of Canada has contaminated conventional crops so extensively that most certified organic grain farmers can no longer grow canola.

Mexico

During 2002, Mexico's Deputy Secretary of Rural Development announced that up to 75 percent of organic certification costs for Mexican producers would be refunded under government efforts to stimulate trade in organic products (*BioFach Newsletter*, Sept. 16, 2002).

In the past five years, organic farming has grown from 25,000 hectares to over 100,000 hectares, with exports to Europe, Japan, and the United States reaching \$100 million (US) a year, according to the Mexican Secretariat of Agriculture. Mexico leads in organic coffee production, and is among the leaders in the production of organic avocados, mangos, bananas, pineapple, papaya, jicama (sweet turnip), sesame, vanilla, cocoa, and soybeans. Exports

go to Germany, the Netherlands, Switzerland, Italy, France, the United Kingdom, Spain, Japan, the United States, and Canada.

Approximately 30,000 producers in Chiapas, Oaxaca, Chihuahua, Sinaloa, Colima, Michoacán, Baja California, Guerrero, Jalisco, Veracruz and Sonora now farm organically (The Organic Newslines from organicTS.com, Vol. 3, Issue 24, June 17, 2002).

Table 15: Organically Managed Land and Organic Farms in North America (Source: SOEL-Survey, February 2003)

Country	Date	Organic Farms	% of all Farms	Organic Hectares	% of Agricultural Area
Canada	2001	3,236	1.3	430,600	0.58
Mexico	2001	34,862		143,154 ²	0.13
USA	2001	6,949		950,000	0.23
SUM		45,047		1,523,754	

Sources

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Mexico: IMO, Institute for Marketecology, Weststr. 51, CH-8570 Weinfelden Phone: +41-71-626 0 626, Fax +41-71-626 0 623, E-Mail imo@imo.ch; Naturland Auslandsstatistik 2001

Naturland e.V., Kleinhaderner Weg 1, D-82166 Graefelfing, Phone: +49-89-898082-31, Fax: +49-89-898082-90, E-Mail: naturland@naturland.de

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²Therefrom about 65,000 ha in conversion

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8 Continued Achievements and Challenges

Bernward Geier¹

The world continues “to grow organic” with impressive dynamic intensity. The IFOAM Organic World Congress in August 2002 in Canada, with its 1,300 participants from about 100 countries, was a most vivid, creative and enjoyable event and mirror of this dynamic development. The FAO World Food Summit in Rome in June and the World Summit for Sustainable Development in Johannesburg in September 2002 were platforms where organic agriculture could position itself as a significant contribution to sustainability and food security.

The market for organic products is growing continuously, especially in the industrialised countries. On the major markets, substantial organic product turnover rates are achieved. Despite some indicators of momentary market saturation it continues to be a fact that a lack of demand for organic products will not be the problem in future; but rather it will be the supply situation. Currently, for example, Germany and France import about 50% of their organic food and Great Britain is still in the 70% range.

The share of organic products at national level is one to two percent of the total market. There are still major obstacles to the further development of the organic market, which need to be removed.

Even though the countries with the biggest markets for organic products are also the major producers of organic food, it is still the case that, particularly for developing countries, substantial export potential exists. There is, however, also the potential in many of these countries for local markets, which fortunately are increasingly being developed.

A price premium is needed to reward the work of farmers in respect of their contribution to nature conservation and human well-being. The organic industry is also confronted increasingly with price pressure and competition in the market. There is still high demand, but the need for fair prices for organic food has to be emphasised more. Price premiums are also an inducement for new farmers to convert to organic agriculture.

Europe seems to continue to lead the development of the organic sector. A number of countries already have impressive organic proportions, with organic land already in the range of 10% (e.g. Austria, Switzerland, Sweden). German’s Minister of Agriculture has set a 20% target by the year 2010. Sweden is trying to achieve this goal by 2005. The European Union’s “Action Plan for Organic

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┌ Challenges

Agriculture” is taking shape and has the potential to make a significant positive impact on the further development of the organic sector. The European example shows that a favourable political environment, including subsidies for organic farmers, can help to attain substantial percentages of agricultural land.

A favourable political environment also includes a clear definition of organic agriculture with legal enforcement. Organic laws are not only important for export, but also for strengthening consumer confidence and building local markets. Therefore the state should set the framework so that regulation is defined, but the definitions and specific rules of organic agriculture should be developed and controlled by the private sector.

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

At the international level, the harmonisation of organic standards and certification is important in order to facilitate international trade in organic products. The IFOAM accreditation programme has already achieved a great deal in this respect. A first significant step towards harmonisation has been made with the IFOAM/FAO/UNCTAD Harmonisation Conference at the BioFach fair last year.

With the support of Codex Alimentarius guidelines we can expect that the private sectors’ achievements in terms of harmonisation will be backed by more organic regulations in many countries.

Because of the rapid globalisation process in the market, organic agriculture is facing major challenges since organic agriculture is not automatically an alternative to long distant transport around the globe. Standards for organic agriculture do not yet deal with the issue of regional marketing or seasonality of the produce. Long distant transport around the world have to be considered critically in respect of the efficient and ecological treatment of energy resources. Even if the marketing of organic products via supermarkets seems to be the future way for many countries, for organic agriculture it is more important than ever that the local and regional supply of healthy food is increased and guaranteed. There is still major scope for an international exchange of goods, as in industrialised northern countries neither coffee nor bananas can be grown. Fair trade relationships are a basis and an important link between world-wide food security and the future further development of organic agriculture and food culture.

9 Appendix: Figures on the Development of Organic Farming in the EU-countries

The figures on the development of organic farming in the countries of Europe are based on statistics compiled by Nicolas Lampkin as part of the EU-project "Effects of the CAP-reform and possible further developments on organic farming in the EU". The data derives from Nic Lampkin, University of Wales and Forschungsinstitut fuer biologischen Landbau (FiBL) Switzerland. The graphs were made by Zentrale Markt- und Preisberichtsstelle fuer Erzeugnisse der Land-, Forst- und Ernaehrungswirtschaft GmbH (ZMP), whose contribution to this publication is gratefully acknowledged. The year always refers to December 31st.

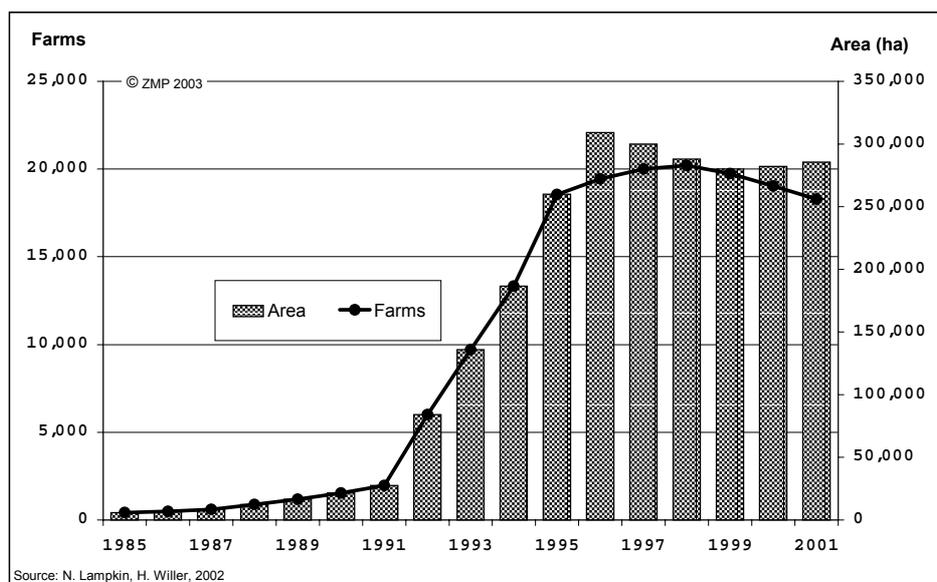


Figure 17: Development of Organic Agriculture in Austria

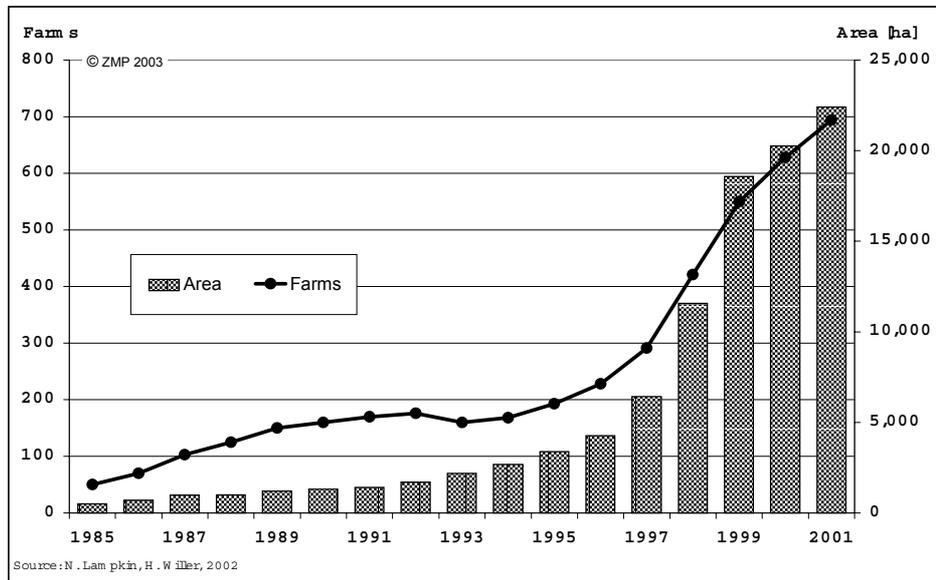


Figure 18: Development of Organic Agriculture in Belgium

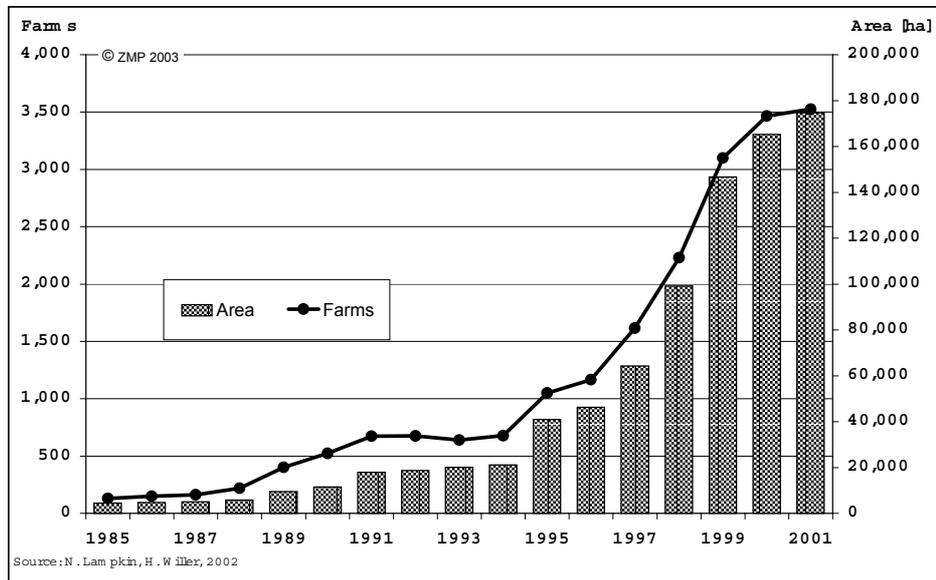


Figure 19: Development of Organic Agriculture in Denmark

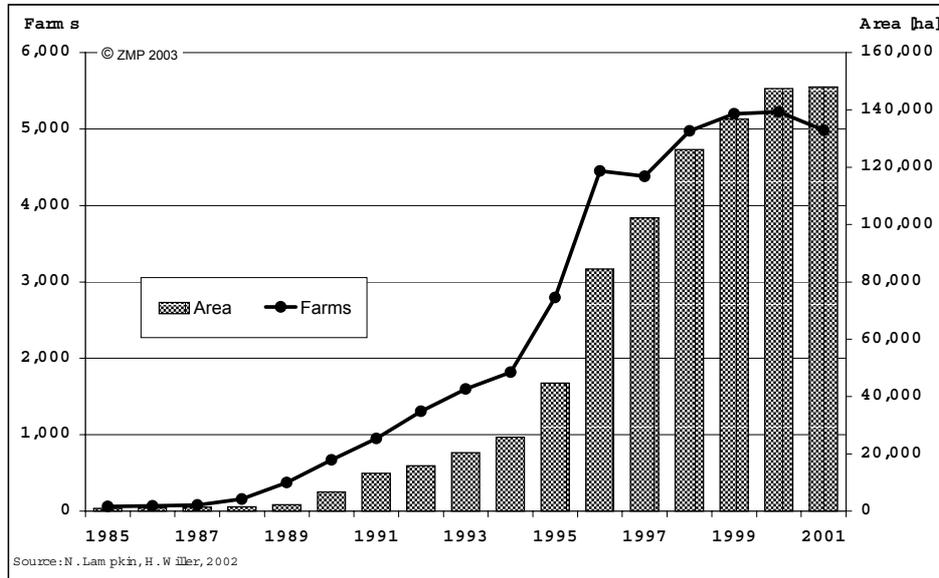


Figure 20: Development of Organic Agriculture in Finland

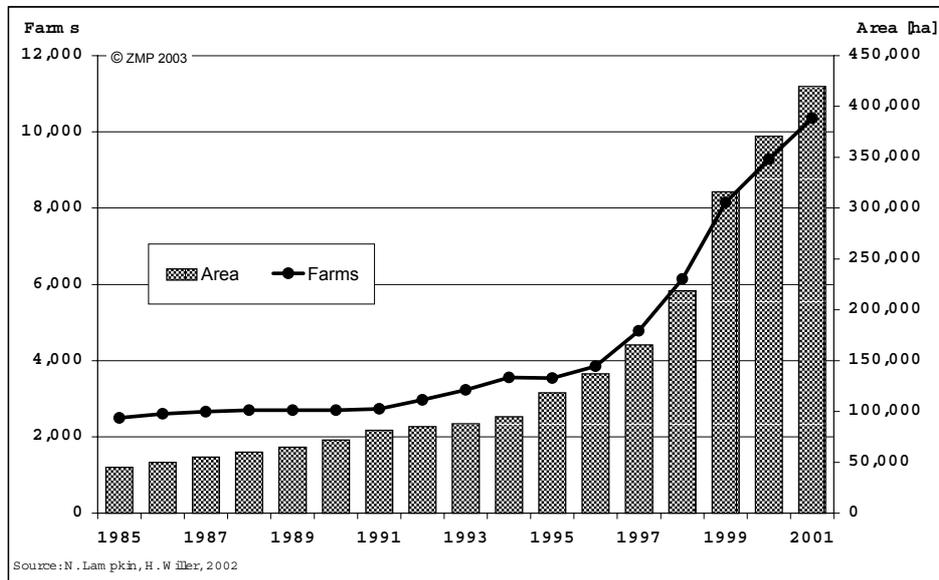


Figure 21: Development of Organic Agriculture in France

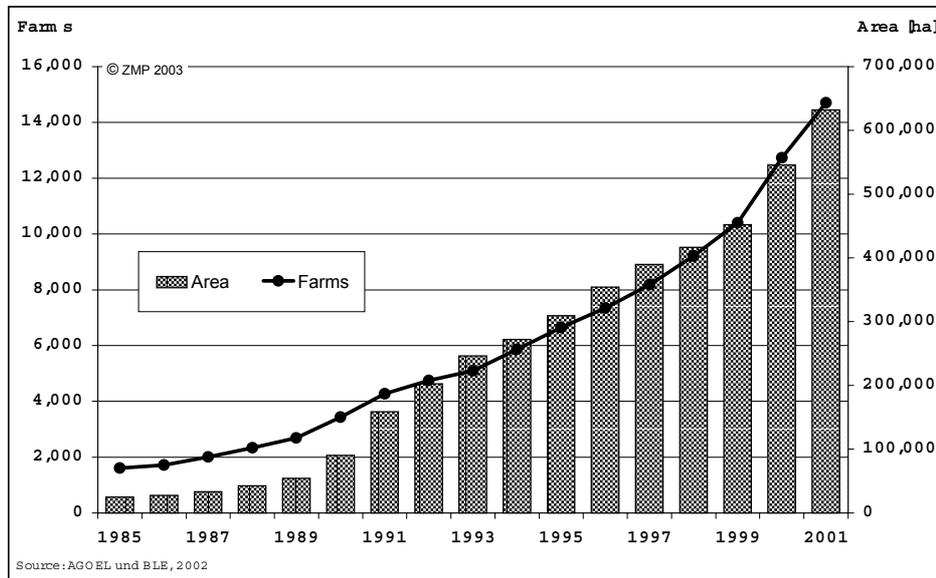


Figure 22: Development of Organic Agriculture in Germany

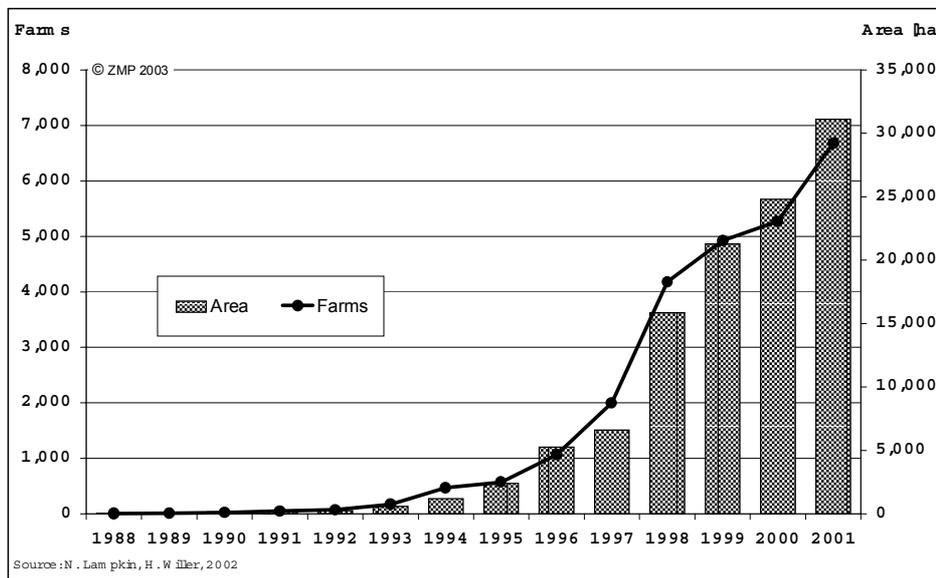


Figure 23: Development of Organic Agriculture in Greece

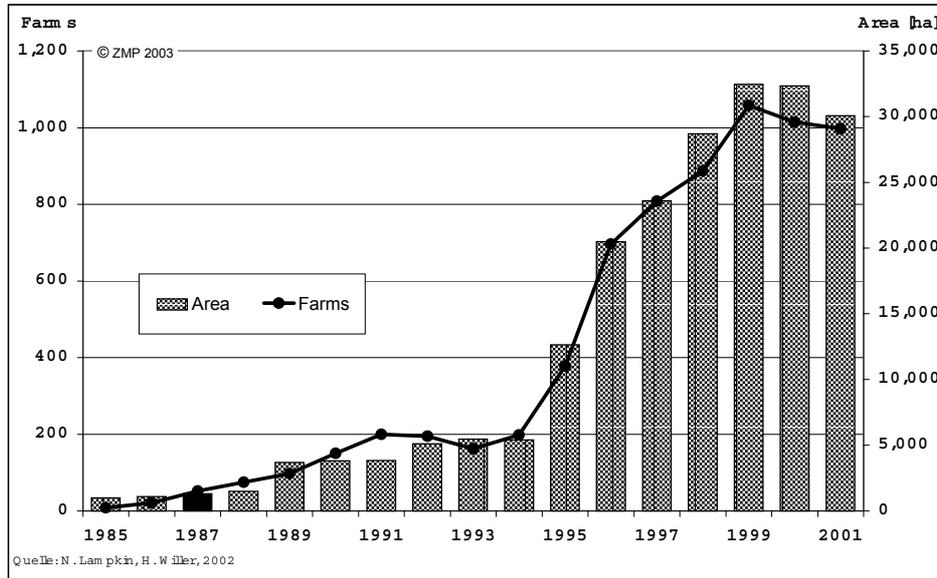


Figure 24: Development of Organic Agriculture in Ireland

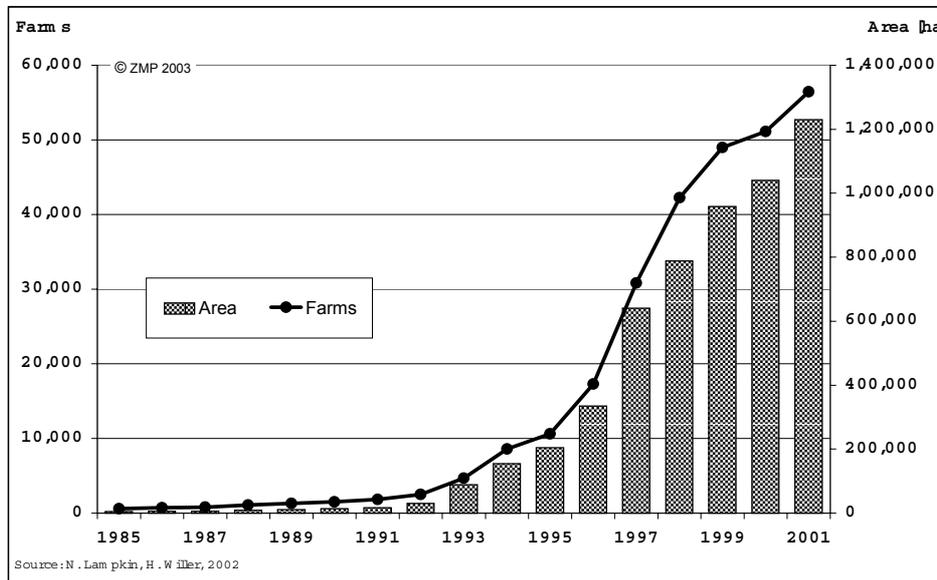


Figure 25: Development of Organic Agriculture in Italy

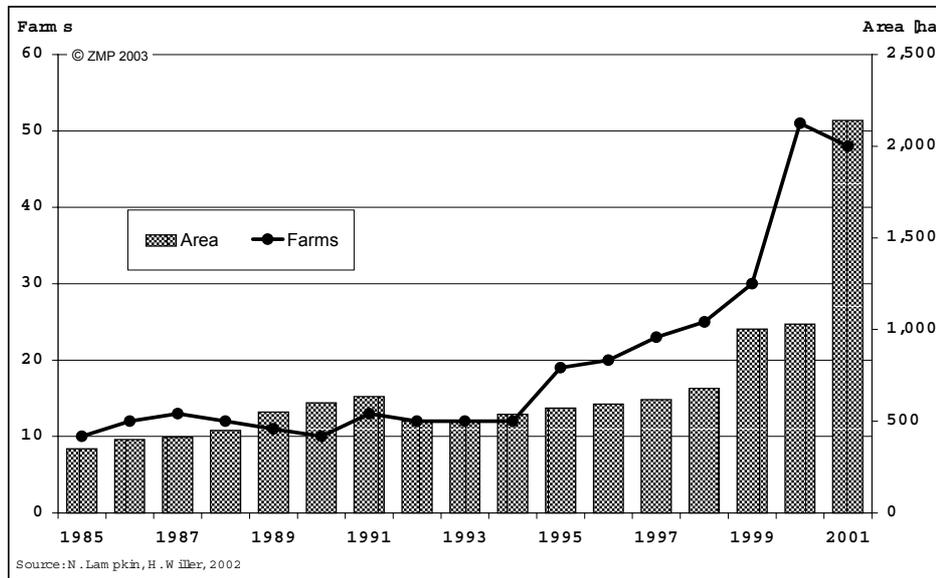


Figure 26: Development of Organic Agriculture in Luxembourg

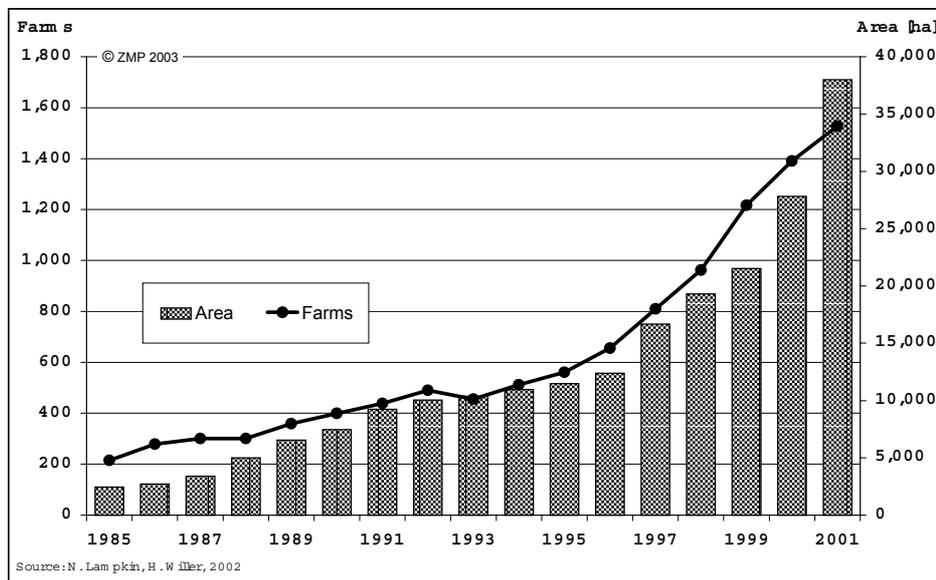


Figure 27: Development of Organic Agriculture in the Netherlands

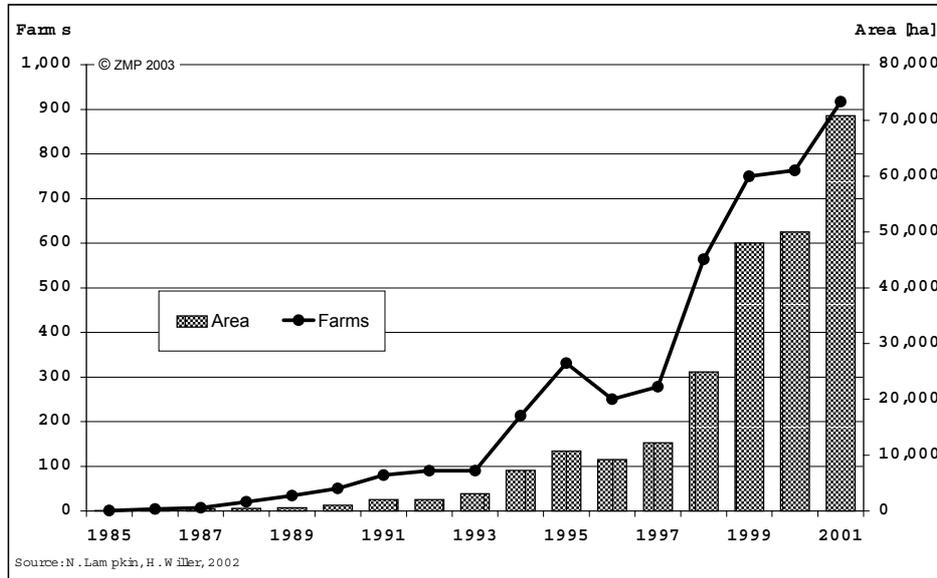


Figure 28: Development of Organic Agriculture in Portugal

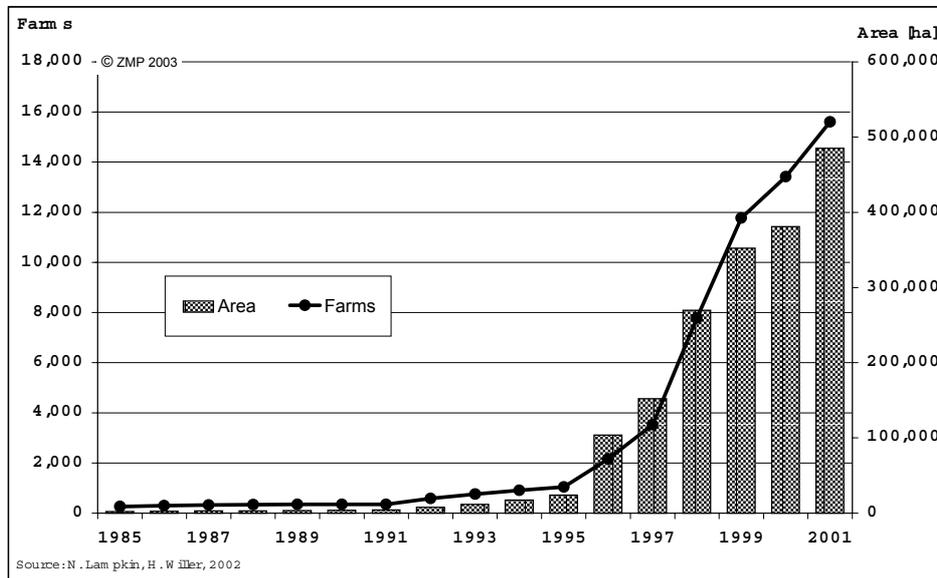


Figure 29: Development of Organic Agriculture in Spain

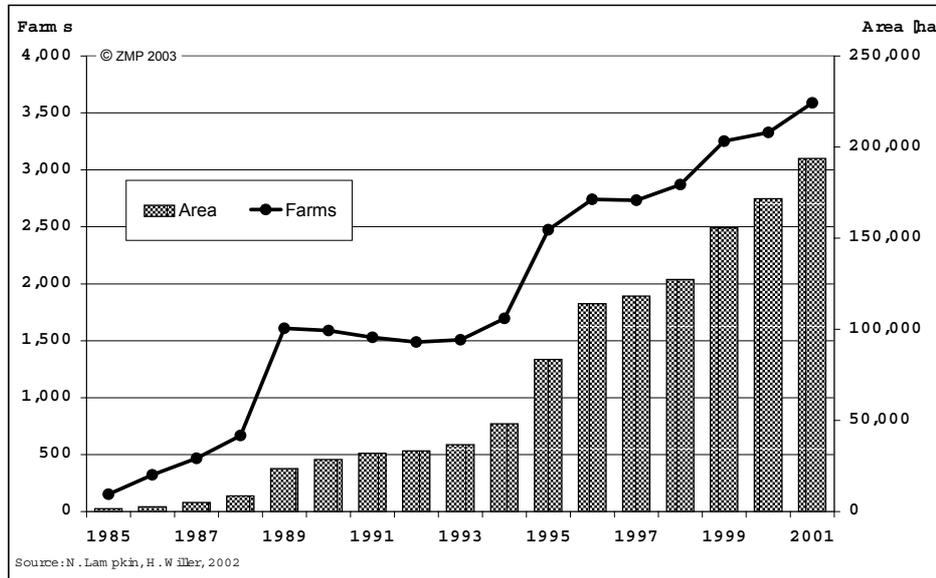


Figure 30: Development of Organic Agriculture in Sweden

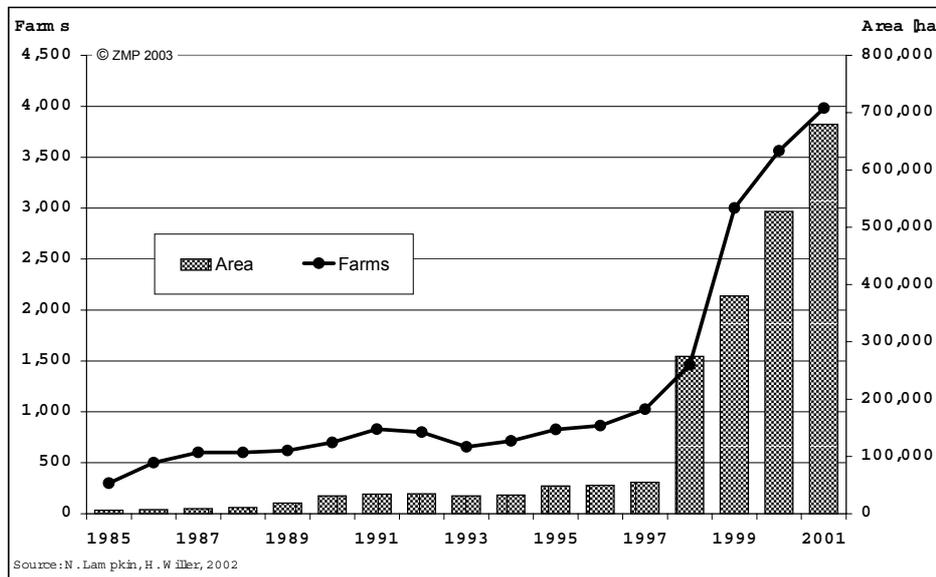


Figure 31: Development of Organic Agriculture in the U.K.

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