



***BUILDING SUSTAINABLE
ORGANIC SECTORS***

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EXECUTIVE SUMMARY

The objective of this study as formulated by IFOAM is to give guidance for the development of dynamic organic sectors, with a focus on developing countries. The report includes ten country case studies of which five are from developing economies, two from emerging economies or economies in transition, and three are from more developed economies. Based on the case studies and other experience, recommendations are made.

Reorienting and redesigning agriculture in an organic direction requires several different functions, actions and strategies that complement and reinforce each other: a solid foundation of common values among key actors; knowledge and experience; engaged and dynamic individuals and organizations; possibilities for consumers to identify organic products in the evermore anonymous food market; political lobbying; and interested and bold market actors. Deep and broad cooperation and dialogue among the stakeholders in the whole food sector, from consumers to decision makers, from farmers to scientists, is essential, and their participation in strategic decisions is fundamental for success.

Consumer interest and willingness to buy organic food is the foundation for market development. Consumer awareness is built with availability of good quality products and positive promotion, and a common logo and standard is an efficient tool for promotion. The media play an important role in spreading the values of organic, informing about the logo and presenting good examples. Market information is an important tool for all market actors, not least the public sector and the farmers. To organize the farmers/producers for marketing is important for the supply and for quality improvement. The initial marketing efforts should be oriented towards simple chains and direct marketing, but for long-term growth of the organic sector, development of a diversity of market channels is essential. A combination of market supply and demand measures is the most effective strategy. Export often plays a big role in the initial stage, and exporters need to consider the special demands of the organic markets.

Certification is a strong market tool that serves to build trust in organic agriculture and products. One organic standard that is applied by all organic producers, certified or not, helps to build energy and joint activities in the sector. Stakeholder involvement is critical in standard development, especially in the early stage. Third-party certification is by far the most common, but there is a growing interest in alternatives like PGS, and it is important that governments do not inhibit this development, as formal certification may not be what is demanded in the domestic market. The initial standard should be developed with local market development in mind, and a locally based certification body often plays a big role in this. The introduction of an organic regulation means an official recognition of organic that will strengthen the sector and make it visible and credible in both the public and private sectors. However, a mandatory regulation is not the only way for a government to accomplish this.

Governments often support organic farming for a mix of reasons: reduction of imports of agrochemicals; income generation through export; environmental protection; animal welfare; rural

development; and low-cost, environmentally friendly farming accessible to small-scale farmers. National strategies or action plans have contributed to organic development in many countries. They are most efficient when they relate to goals or targets for organic development and when they consist of a combination of specific measures including direct income support through the agro-environment/rural development programs; marketing and processing support; certification support, producer information initiatives (research, training and advice); consumer education; and infrastructure support. Broad stakeholder involvement facilitates this process and gives the best results. Without this kind of dialogue the organic sector will be less successful and development will be slower. There also are other incentives that can have importance for the farmers, e.g. a reduced credit rate for entrepreneurs in the organic sector and access to crop insurance and agricultural disaster programs. Involvement of local or regional governments and authorities with the organic sector often leads to constructive and relevant development, and churches and international institutions play a supportive role in organic agriculture policy development. Information and statistics on the sector activities (size and expansion of production and markets, policies, etc) and active organizations are a major resource for strategy building.

Conversion to organic means a mental conversion of the whole food sector, and positive attitudes must be created with adequate information. Education, extension and research are therefore central in all organic development. A research program describing the most urgent research needs is a help in prioritizing research projects, and all relevant stakeholders should be involved in its elaboration. A new approach has to be developed where dialogue, participation, and exchange of experience inspire both farmers and researchers, and where traditional knowledge is appreciated and integrated. Extension services need to consider all aspects of the farmer's situation, from production to marketing, economy and social situation. Cooperation and linkages among farmers, advisors and scientists are important for relevance and efficiency, and the farmers and advisors can be generators of creative and feasible research projects.

In the healthy development of an organic sector a wide range of relevant stakeholders are invited to cooperate and contribute. It is a winning concept to have a dialogue not only with those who from the beginning are positive towards organic, but also with conventional farmers' organizations, authorities, market actors, etc. For strategic decisions an ongoing analysis about the development mechanisms is vital. Unification on the national level creating common concepts and messages also is a great strength, while the development of local organizations and activities is an important life nerve of the organic movement. In a young organic sector a good strategy to win respect and allies is to focus on the positive contribution of organic and common points of interest instead of criticizing the current policies of institutions and organizations. When the sector grows, different perspectives of organic will develop and one challenge is to find new forms of communication. How to keep the integrity of organic agriculture while allowing growth and expansion is a main discussion issue for the organic sector.

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Conceptual project design and review of material by an IFOAM task force consisting of Angela B. Caudle, Anne Boor, Louise Lutikholt, Roberto Ugás, Brendan Hoare and Ong Kung Wai.

Comments were also received during a workshop at Biofach in February 2007, where a draft of this report was discussed. The workshop also contributed to a discussion on how various actions and strategies fit in the different development stages, as outlined in Annex three.

The report, in particular the section 'Regulatory framework, standards and certification', builds to a large extent on the UNCTAD study, 'Best Practices for Organic Policy - what developing country governments can do to promote the organic sector' (Rundgren 2007)¹, especially the sections on government policy and regulations, with some paragraphs almost identical. That study contains case studies of Costa Rica, Chile, Denmark, Egypt, Malaysia, Thailand and South Africa.

¹ Rundgren G (2007). Best Practices for Organic Policy - what developing country governments can do to promote the organic sector (UNCTAD/DITC/TED/xxxx/xx). Study commissioned by the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development. United Nations, Geneva.

1. INTRODUCTION

In various countries and regions where the organic agriculture sector is emerging, governments as well as organizations and institutions are looking for competent advice on how to develop the sector. In November 2003, IFOAM's Government Relation Committee organized an informational event in Bangkok for official government representatives from Asian countries who were working on national standard-setting and national regulations. The interest was substantial, and a lack of comprehensive information and knowledge about the most important procedures and challenges was obvious.

Within the frame of the I-GO II program, IFOAM is supporting the development of emerging organic sectors in developing countries. Besides the establishment of IFOAM Information Points in selected regions, the program aims to facilitate the development of emerging organic sectors through the compilation of a comprehensive information package. This information package includes recommendations on possible options for governments, the private sector, development agencies, and consultancies on how to achieve sustainable development of the sector. The recommendations are to great extent the result of the ten analytical cases studies, reflecting experiences from various countries. As a second element, the information package presents guidelines for the whole process of developing the emerging organic sector.

The study 'Best Practices for Organic Policy - what developing country governments can do to promote the organic sector', commissioned by UNCTAD, has been following a similar approach, but focusing mainly on recommendations for governments and dealing mainly with best practices for organic policy development, while this report extends its scope and recommendations to all actors of relevance for the development of the organic sector. Complementary to the UNCTAD study, with the elaboration of this information package IFOAM intends to cover the other target groups mentioned, such as the private organic sector, development agencies, and consultancies working in this field.

Purpose and objectives

The objective of this study as formulated by IFOAM is to give guidance for appropriate development options for the emerging organic sectors, with a focus on developing countries.

More specifically the study should:

- Organize analytical country case studies (surveys) and develop guidelines for the whole process of the development of the emerging organic sector based on the results of the survey.
- Analyze the development of the sector through analytical case studies considering
 - Identification of key stages / patterns in sector development, main actors, institutions and their role, action plans and policy framework.
 - Action plans implemented that contributed to sector development
 - Sector SWOT analysis and lessons learned
 - Critical factors and indicators for sector development

The Survey should include sequences of how organizations and countries have organized themselves, elaborating on the methods used and reflecting on what they would do differently.

Target groups

The following are the target group for the report:

- Governments in countries with an emerging organic agriculture sector
- Private sector organic agriculture movements in countries with an emerging organic agriculture sector
- Consultancies
- Development agencies supporting organic agriculture through special projects
- International organizations, e.g. UN agencies, or international NGOs

Methodology and structure

The first part of the main text titled ‘The early development of organic agriculture’ gives an overview of the driving forces and stakeholders in the first stages of organic development. This part serves as a background to the subsequent and more concrete development areas to which the recommendations relate. Some of the background information may be repeated in the following parts for the understanding of the context.

Many of the conclusions and recommendations build on the analysis of the ten case studies produced for this report. The SWOT (Strengths, Weaknesses, Opportunities and Threats) method has been used to do the analysis of the case studies. The method is explained in Annex 1. Drawn from this analysis, common success factors and obstacles are laid down as an introduction to each development area. Experiences from other reports and materials have also been used to complement the analysis when relevant. These are referenced in the text.

The text contains many suggestions on different levels, drawing on the situations presented. Apparently there are many different development stages, and what is the right thing to do at one point in time is not necessarily the best at another point in time. Each development area therefore ends with an indication of different actions that are recommended in three roughly defined development stages, followed by a set of main recommendations, presenting efficient measures and pointing out the main responsible stakeholders. Obviously, this kind of ‘recipe for development’ can only give an idea and is not a prescription for a detailed development model. It is useful to look at the situation in countries where the sector is well developed, but there is also the risk that the development process is not properly understood.

Boxes are inserted in the document to illustrate or deepen the text with examples and more detailed information. They are also used to present a few individual pioneers from the organic movement to give a flavor of the personal devotion and engagement that built organic agriculture from the beginning.

1.1 Acronyms and abbreviations

BioFach	Organic trade fairs
BSE	Bovine spongiform encephalopathy commonly known as ‘ mad cow disease’ , a fatal, neurodegenerative disease of cattle
CAP	Common Agriculture Policy of the European Union
CSA	Community Supported Agriculture
EU	European Union
FAO	Food and Agriculture Organization (United Nations)
FiBL	Forschungsinstitut für biologischen Landbau, research institute in Switzerland
IFOAM	International Federation of Organic Agriculture Movements
ICS	Internal Control System
ITF	International Task Force on Harmonization and Equivalence in Organic Agriculture, a joint FAO, IFOAM and UNCTAD initiative.
ISO 65	ISO/IEC Guide 65: 1996(E), General requirement for bodies operating product certification systems.
JAS	Japanese Organic Regulation
MAELA	Movimiento Agro-Ecológico de Latino-America
NOAM	National Organic Agriculture Movement
NOP	National Organic Program (of USA)
OECD	Organization for Economic Co-operation and Development
ORGAP	European funded research project giving scientific support for the implementation of the European Action Plan and assessing its long-term and short-term effects
PAN	Pesticide Action Network
PGS	Participatory Guarantee System
SIDA	Swedish International Development Cooperation Agency
SWOT	Strengths Weaknesses Opportunities and Threats, a methodology for assessment of e.g. an organization
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
UNEP	United National Environment Program
WTO	World Trade Organization

Terminology

To avoid confusion, some key words and concepts are here defined by the authors and used in the following way:

Farmers group	a local, regional or sector-based group of farmers, more or less formalized
Farmers Association/organization	a national organization of individual farmers or local/regional farmers' groups
Farmers cooperative	a group of farmers who market their crops together in an organized legal entity
National Organic Agriculture Movement	a unifying organic organization or network that aspires to represent the interests of individual farmers or farmers' groups

NGO (Non-governmental organization)	a private voluntary organization whose primary purpose is to design and implement development-related projects, often serving target groups. They can be community-based, national, or international.
Organic Sector	all parties that are involved in the production, distribution, promotion, education and other functions to develop organic agriculture
Private sector	non-governmental stakeholders, e.g. market actors (companies), NGOs, farmers' organizations, certification bodies and consultancies

2. SUMMARY OF COUNTRY CASE STUDIES

Introduction

Organic agriculture development in ten countries was studied. From these a number of learning points have been drawn, which are elaborated upon in the subsequent chapter. The focus was on the early stage of the development and the organic sector's involvement, roles, and image, and aimed at reflecting the mechanisms behind the growth of the organic sector. The countries were selected to show different situations in different stages of development with variations regarding market conditions, regulations, political framework, structure of the organic sector, and geography. Although no case from Oceania or the Pacific is presented in this report, it should be mentioned that there are also good and early examples of organic development there.

Motivation for selection of country cases

Country	Interesting characteristics and relevance for the study
China	A governmental institution has pioneered the sector's development. Focus on certification and standards, but also development of spun-off marketing and extension activities.
Italy	Early stage, mainly export driven development, later on domestic market fairly well developed. Movement fairly fragmented but with some key organizations. Regulated early (1992). Cooperatives and public procurement fairly developed in marketing. Agro-eco tourism and link to Slow Food movement.
Philippines	Farmer-scientist cooperation to save seeds and farmers' empowerment leading to organic agriculture and to networking and lobbying. Emerging regulation.
Serbia	Somewhat scattered initiatives and no unified organic sector. One pioneer NGO linked to a university, other initiatives purely commercial. Regulation in place but not really implemented.
Southeast Brazil	From farmer-based social movement and participatory development to political acceptance and involvement. Holistic work from farm to consumer. Regulation in place but not yet implemented
Sweden	United movement and common ground from the start. Shared support, both from consumers (premium prices for organic quality) and political (tax payers pay for environmental effects). Early sales to supermarkets. Fairly strong cooperatives. Regulated in 1995
Thailand	Mix of NGO/private sector strategies and export company driven, early establishment of local certifier. Emerging governmental regulations.
Turkey	A major organic exporter with later domestic market development, domestic certification organizations, etc.
Uganda	From export-driven development to emerging local markets, farmer organization and rural development. Unified organic sector. No organic regulation.
USA	Market-driven development, market lobby as a development tool, CSAs, regulated late. As USA is large, there is a special focus on OTA as a fairly business-oriented sector organization.

2.1 China

Organic agriculture development has mainly been in the hands of government institutions. In 1989, when seeking ways to reduce environmental pollution and soil erosion, improve agricultural ecosystems and enhance biodiversity, the Rural Ecology Sector of the Nanjing Institute of Environment Sciences of the State Environment Protection Administration joined IFOAM as the first member from China. Market demand from developed countries was another initial driving force for organic production. Certification is considered the main factor for development of organic farming, and the elaboration of Chinese standards, certification and accreditation has been a strong focus. The Chinese National Organic Products Standard was implemented in 2005. Based on the IFOAM standards and complying with Codex Alimentarius, EU Regulation 2092/91, and the NOP, the Chinese organic standard is among the most stringent in the world. Certification and the use of the national logo are mandatory for organic products. The Certification and Accreditation Administration of China (CNCA) approved 29 control bodies by 2006. Organically managed land covered 978,000 ha in 2005. The main organic products are cereals, beans, and tea. Export accounts for more than half of the total value of organic products, 2.2 billion RMB in 2004. The main export markets are the USA, EU, Japan, and some Southeast Asia countries. The domestic market value is only 0.2 billion RMB. Although hampered by high prices, the domestic organic market has increased rapidly in recent years. In 2004, 11 ministries from the central government of China issued a 'Recommendation to Promote Organic Food Industry Development.' This is considered the first central government document to bring forward policies supporting the organic sector, including detailed rules for subsidies to organic.

2.2 Italy

In the beginning of the 1980s organic production was mainly for export to Northern Europe, using foreign standards and certification. The importing organizations had little contact with the pioneers of the small and scattered organic movement. In 1983, at the event 'Cos'è Biologico' ('What is organic?'), the need for common organic agriculture standards and certification criteria was expressed, and with the first Italian Organic Agriculture Standards, published in 1986, domestic market development took off. AIAB, founded in 1988, established a national system for supervision of regional certification organizations. EU Regulation 2092/91 was implemented in 1993. During the strong expansion of organic in the mid 1990s, instead of pushing its own standard and certification program, the Italian organic sector gave priority to guiding the public authorities in the implementation of the EU Regulation. Sales in larger outlets like retailer chains are increasing, and the value of the domestic market in 2005 was 1.9 billion €, corresponding to 2% of total food sales. The total value of certified organic products is 2.4 billion €, and export markets are developing in the USA, Japan and Asia. During the early period, organic development was managed by producers in alliances with consumers and the environmental movement and without government support. In 2000 a national target was set -- 10 % of all agricultural land converted to organic by 2005 -- and a promotional campaign was launched for organic, financed by a new 2% tax on synthetic pesticides. Over 1 million ha is managed organically, which amounts to 7% of the agricultural land and 2% of the farms. Cereals, olives, fruits (grapes, citrus) and vegetables are the main organic products.

2.3 Philippines

Worsening rural poverty in the 1980s prompted social development groups to implement projects in sustainable agriculture. Since then organic agriculture has been driven by the private sector as small-scale NGO projects and initiatives scattered across the country. In 1984, MASIPAG started as a farmer-NGO-scientist partnership aiming to encourage and empower small rice farmers to develop their own technologies and farmer-to-farmer extension, and to have access to and control over production resources, especially seeds. In the 1990s, sustainable/organic agriculture became an important aspect of rural development, and many farmer organizations and NGOs engaged in the development of organic agriculture. In 2005, there were 6,599 organic farms, and their 7,717 ha accounted for less than 1% of the total farmland. The main domestic organic crops are rice, maize, vegetables, and root crops, while organic crops for export are bananas, mangos, coffee and sugarcane. The total organic market is relatively small. In 2003, the domestic organic market had an estimated annual growth of 10-20% and export may have exceeded US\$10 million. In 1996 the informal network FOODWEB started to draft the Philippine Basic Standards for Organic Agriculture and Processing, which paved the way for the development of a national organic certification program. The Organic Certification Center of the Philippines (OCCP), established in 2001, became the first certification body accredited by the Department of Agriculture. In 2005, Executive Order 481 for the Promotion and Development of Organic Agriculture was issued, also hoping to establish an organic agriculture program. There is limited involvement of organic practitioners at the policy level.

2.4 Serbia

Organic development is export driven. Organic agriculture was initiated in 1990 by the Association Terras in the municipality of Subotica. When the economic sanctions ended in 2000, investors, buyers, and donors came to Serbia with projects, organization and export market possibilities. In 2006 the Ministry of Agriculture announced an organic law, but standards are not yet finalized and EU certifiers are still certifying organic operators in Serbia. In 2004, the government introduced subsidies to cover about half of the certification costs and for cooperation and some educational activities. Development of the sector is government driven, without much consultation with the sector. All parts of the organic chain are present but the sector is unorganized, with lack of coordination and cooperation among projects, activities, and stakeholders. The main actors are donors and companies that do not have an interest in organizing the sector. The most important organic products are wild or cultivated fruit and berries exported as frozen or processed, and frozen, salted and dried wild mushrooms. Most production is concentrated around the cooling plants. 72 operators on 2,411 ha, 0.14% of the arable land, were certified in 2006, and 2,155 ha is under conversion; the potential for further expansion is great. Certified land area for wild production (berries, mushrooms, and herbs) is approximately 450,000 ha, which represents 12% of total non agriculture land.

2.5 Southeast Brazil

The first initiatives on organic farming/agroecology date from the early 1980s and were a reaction against the negative effects of the green revolution technologies. The NGOs working

with groups of family farmers during the 1980s and 1990s developed considerable experience in the holistic chain of organic production, small scale/home processing and local markets as well as local and participatory guarantee systems (PGS). The Ecovida Network on Agroecology, founded in 1998, and the biggest actor in the Southeastern states with 80% of the organic farms, today connects 180 municipalities including 2,800 farm families, around 14,000 persons. Sales mostly focus on local markets like street markets, but also the public sector, shops, supermarkets, and some exports. PGS have a place in the Brazilian Organic Law 10831, the formulation of which involved intense participation of the private sector. A national program on agroecology contains initiatives to support the sector, ensuring credit, rural extension, and research for the sector. Brazil is said to have 887,637 ha under organic cultivation, 0.34% of the total agriculture area, with an estimated 14,000 organic farmers. However, there are a great number of uncertified organic farmers who are not covered by the statistics. There is a big diversity of products organically grown both for domestic and export markets, such as soybeans, rice, maize, fruits, coffee from northern Paraná, and vegetables, and a wide range of processed products available on the domestic market.

2.6 Sweden

A well-organized and unified sector with a successful unified certification scheme characterizes Swedish organic development since 1985, when the Ecological Farmers Association, the certification body KRAV, and organic farmers' marketing cooperatives were established. Other early stakeholders were the Biodynamic Organization and Saltå Mill. Organic producers in the early stage had to develop their own marketing structures, but during the 1990s most of them merged into the mainstream cooperatives. The market strategy from 1985 was to organize organic sales in mainstream markets, and market development was mainly taken care of by the retail chains, with the Consumers Cooperative (COOP) and the largest dairy, Arla, in the lead. The organic market today accounts for 3% of the total market. Imports constitute 15-20% of the organic market; exports are less. A common label for organic is a major success factor for development; the KRAV label is known by 96% of the population. The first standards were developed by farmers, but after 1985, standard development was extended to the growing number of stakeholders in KRAV. Since EU membership in 1995, standard development in KRAV is to a large extent a question of interpretation of and adaptation to EU regulation 2092/91. However KRAV also set some higher standards and has standards for production areas that are not covered in the EU regulation. Government support for organic farming started in 1989 with conversion support to organic farmers, which continued under the frame of the EU environmental program after 1995. In 2005, 19% of the farmland was managed organically and received EU grants, and about 8% was certified by the dominant certifier KRAV. The main organic products are milk, grains, eggs, and beef. Organic development since 1995 has been conducted within the frame of national goals, and is characterized by a few organizations pushing and lobbying and extensive stakeholder cooperation in organized forums.

2.7 Thailand

In the early 1980s the Alternative Agriculture Network was founded to promote organic and sustainable agriculture. Starting in the early 1990s, market incentives were introduced and

extension methods revised. A local organic certification body was founded to ensure better market access, driven by a combination of efforts by the private sector and NGOs. Almost 14,000 ha is under organic management, representing less than 0.1% of the total agricultural land, and 2,500 farms are certified. Rice is the dominant crop, followed by fruits and vegetables. Most organic produce, especially rice, is exported, mainly to Europe. Most of the vegetables are sold locally. In 2004 many organic brands were available in small shops and in mainstream supermarkets, particularly in Bangkok, where there is a wide range available. The domestic market for certified organic products is estimated to be US\$13.7 million, while export was estimated to be around US\$11.8 million. The non-certified and health food market is estimated to be US\$83.33 million. Apart from the initial private-sector certification body, the Department of Agriculture also offers free certification through an agency. Half of the producers are certified by foreign certification bodies. There is a voluntary government standard for organic production and a governmental program for accreditation of certification bodies. The central government has recently adopted a program for organic development, including massive investments in the production of biofertilizers. The royal family has promoted self-sufficient sustainable agriculture and the Royal Project has recently started organic production. One province has embarked on a large-scale organic project. The sector has a number of organizations but no one unifying body. Collaboration between the sector and the government is still weak.

2.8 Turkey

Organic agriculture from the beginning was export-oriented, dominated by the demand from the western markets. Not until 1999 was there a strong initiative to develop the domestic market for organic, when the Ministry of Agriculture and Rural Affairs (MARA), market actors, and NGOs got together to discuss how to promote the domestic market. From 2000, specialized shops expanded the market, and in 2005 there were around 300 sales points all over the country. The first organic farmers' market was established in Istanbul in 2006, and organic produce is also appearing in supermarkets. In 2005, the certified organic area was 175,000 ha and the number of farmers around 12,000, producing an increasing range of products. Unification of the organic concept in the legislation of 2002 was crucial to promote organic products to consumers and increase awareness. The Organic Farming Law 5262 came into force in 2004 and the Regulation on Essentials and Implementation of Organic Farming in 2005. The Turkish regulations are harmonized with the EU standards. Organic farming has been promoted on the political level as a unique tool for rural development in Turkey. Several government programs support organic agriculture, with e.g. area payments, and the project for implementation of the CAP Rural Development Program, prepared with the help of Europeaid, is likely to provide good opportunities. Many international organizations and donors also have supported organic development. Two official committees with broad stakeholder participation are parts of the decision-making process of the organic sector. A new law facilitated the establishment of producers' unions and cooperatives, resulting in the formation of new farmer organizations. The main challenge for the organic sector now is the lack of a national strategy and lack of coordination among different stakeholders. MARA started to prepare a National Strategy document in May 2006.

2.9 Uganda

The export market has been the main driving force for organic agriculture in Uganda, with a few commercial companies engaging in organic export since 1994. Many NGOs, CBOs and the government promote organic as an approach for food security, income generation, soil fertility, and pest control, and how organic agriculture with smallholder farmers' access to markets is linked to poverty reduction is becoming increasingly recognized. Uganda has over 39,000 certified organic households, for whom cash crops are the major source of income. The development of the organic export markets to date has relied heavily on the support of foreign donor programs. In 2001 the National Organic Agricultural Movement of Uganda (NOGAMU) was established, and in 2005 was linked to 25,000 stakeholders. NOGAMU promotes export and also the development of the domestic market in several ways, such as a shop in Kampala and supplies to schools, restaurants, and supermarkets. The elaboration of an East African Organic Standard for organic agriculture started in 2002 and was adopted by the East African Community in January 2007 after a process of co-operation between the private sector and governmental institutions. Organic policy development in Uganda has been spearheaded by the private sector. A process to draft a policy concept paper was initiated in 2004, involving government departments and the private sector. The Uganda Export Promotion Board (UEPB) has taken a keen interest in organic exports for many years, and the Coffee Development Authority has established a target of 10% certified organic coffee.

2.10 USA

The organic sector evolved from scattered initiatives into a strong national movement with common goals, while maintaining strong regional organizations that provide organic advocacy, education and promotion and build the capacity of the organic sector. The organic sector was born in the 1940s with pioneers like Sir Albert Howard, Paul K. Keene and J.I. Rodale and the early farmers' organizations were initiated in the early 1970s. The early organic sector was successful because the organizations were farm-based, operated regionally, and had a strong market-orientation as well as a philosophical agenda. The food coop movement was important in the early period of the distribution and marketing of organic products. Organic food is today an integrated and established part of the market and no longer a niche, with a diversity of market channels. As early as the 1970s organic grains and beans were exported to Europe and then to Japan, but exports to Japan significantly declined because of the Japanese organic regulation. Canada is still a strong export market. The early organizations developed standards and certification. In the early 1980s, at the urging of the organic farmer organizations, several states began to regulate the organic label. During the 1990s a national law was elaborated and the National Organic Program (NOP) was implemented in 2002. The common USDA Organic label is known by 60% of the population. The NOP is considered by the government as a labeling and marketing regulation, not an endorsement of organic farming. Because there has not been extensive government support either in policies or funding, the organic sector has remained market-driven. Certified organic farmland in 2003 accounted for 0.9 million ha, about 0.2% of total farmland. The variety of crops that are grown organically reflects the conventional agriculture sector, along with rapid expansion in livestock production.

3. BUILDING SUSTAINABLE ORGANIC SECTORS

In this chapter the experiences from the case studies and other country experiences are discussed and some conclusions are drawn. Recommendations for policy and strategies are presented when applicable. In the case studies there are many similar experiences that are useful for an emerging organic sector to learn from and be inspired by. But there also are differences. The driving forces behind the first initiatives and actions of the organic sectors are related to a multifaceted situation; not only to the policy environment and the economic conditions, but also to the social, cultural, and environmental context, and therefore strategies and measures should be ‘copied’ with some caution. The time factor is another thing to consider. It is a totally different situation to work in an emerging organic sector today compared with 20-30 years ago, when the organic market was non-existent and organic agriculture was not taken seriously by the food and agriculture sector in general. Today, emerging sectors can draw on a wealth of information and experience as well as benefit from a fairly well-developed global organic market. On the other hand, the threshold for entry in the marketplace has increased because of government regulations, increasing requirements for certification, and competition.

The recommendations aim at a balance between similarities and differences, as well as between generalization and flexibility, to give the best guidance to a wide range of actors working in and for viable emerging organic sectors.

3.1 Background: The early development of organic agriculture

When we speak about the early stage of organic agriculture we most often refer to the period when awareness arose about the negative effects of the so called conventional agriculture in the USA and Europe during the 1960s and 1970s. The reactions were at first centered around pesticides and chemical fertilizers, but later included a more holistic view criticizing the whole modern/conventional production system. The organic farming ideas and methods that sprung from this criticism of course were not new. There already existed health food movements in the early part of the century that saw the connections between production methods and human health, and the early developments of Demeter go back to 1924, when Rudolf Steiner gave his ‘Agriculture Course’ in Koberwitz. Long before that, there are numerous examples of exquisite, sustainable production systems building on careful use of natural resources and satisfying basic human needs. Green manure was systematically used in China to fertilize rice paddies over 3,000 years ago. Efficient water use, essential to survival, was technically and socially organized in the water canals of Ladakh in the Northern Himalayas, in the rice terraces of Ifugao in the Philippines, and in the Mayan ‘cenotes’ (underground fresh water holes) in Yucatán hundreds of years before the peak of the Roman Empire.

Traditional agricultural methods from around the world have to a great extent inspired today’s modern organic agriculture. For example, Sir Albert Howard, one of the founders of the organic movement in the UK, was inspired by the composting methods used by traditional farmers in India. Still, in this study we have chosen to limit ourselves to examples of experiences from the

movement that started to grow during the latter half of the 20th century, what could be defined as the ‘modern’ organic era.

Motives behind the early initiatives

Some of the earliest initiatives of the ‘modern’ organic era took place in the 1940s through the 1960s in Europe and the USA, and many of the pioneers were people who were not farmers from the beginning but came from the city looking for an alternative life-style. The first initiatives sprung from a concern about the impacts food production methods on human health. But because of the intensive use of pesticides and synthetic fertilizers in western countries, environmental awareness grew, and already in the 1960s environmental aspects became one of the strongest motives for organic agriculture. The book *Silent Spring*, written by Rachel Carson, started an environmental movement worldwide, highlighting the harmful effects of pesticides on the environment we depend on. Pesticide use and environmental aspects are still fundamental concerns in the organic agriculture concept.

Developing countries have in many cases entered organic agriculture with the main goal of supporting small-scale farmers to adopt sustainable farming practices in order to improve their livelihoods and agro-ecological conditions in rural areas (e.g. the Philippines and Southeast Brazil in the early 1980s). Organic agriculture has sprung from a reaction against modern, industrialized agriculture, the so-called Green Revolution, which was considered to have devastating effects on rural populations, causing poverty and dependence alongside with soil erosion, decreased biodiversity, water pollution, and health problems. These problems called for a redesign of agriculture methods with a broad approach, including a strong social and economic focus besides development of appropriate technologies.

In countries where organic agriculture developed comparatively late (e.g. China, Serbia Turkey, and Uganda), the economic potential of the increasing global trade in organic products has often been the first and main driving force for organic. Awareness of environment, health, and rural development developed later. In these cases the initiative often came from buyers or exporters who convinced farmers to go for organic conversion. There is a parallel in countries with an older organic sector (e.g. Sweden) where farmers nowadays convert their farms for economic reasons, but broaden their conception and attitudes about organic once they start practicing organic. In other cases (e.g. Thailand), the economic incentives of export markets are working in parallel with rural development perspectives.

Who were the main players?

Farmers: The first initiatives in developed countries were taken by groups of farmers (e.g. Sweden and USA in the early to mid 1970s), and in developing countries by NGOs and farmers together (e.g. the Philippines, Thailand, and Southeast Brazil in the early 1980s). The early groups and associations of organic farmers were engaged in capacity building, policy making, marketing, and certification, and became increasingly important actors. The most successful initiatives were organized and operated regionally. The alliances in the early stage often included consumers and/or market actors (e.g. Sweden, USA). The market-orientation of these farmers groups and organizations, combined with their philosophical and political agenda, was important for the development.

NGOs supporting and assisting organic farmers often originated from church or development organizations and have been particularly important in developing countries. They have promoted organic agriculture in the first place as an appropriate technology for small-scale farmers, emphasizing low use of external inputs, independence from agri-business, and care for natural resources as well as the potential for food security and economical viability. Many NGOs have also initiated marketing activities, including small-scale processing, to include economic sustainability in their strategies for agricultural development. NGOs involved in environment and health have also played a role to some extent.

Private entrepreneurs/traders in some countries have played a crucial role in early organic development. In most developing countries they have been engaged in exports, while in e.g. the USA and Sweden they pioneered the development of the domestic market. The private companies getting involved in organic markets in developing countries represent a mix of small pioneer organic companies and larger, often multinational, companies (e.g. Thailand).

Exporters/importers have been influential actors in some countries' early development, (e.g. Turkey, Serbia, and Uganda and also in Italy in the beginning). The importer obtains organic products to be marketed mainly in Europe, the USA and Japan, deciding the terms for the exporter or for groups of producers. There also are examples where early importing companies invested a lot in assisting the farmers in production and marketing (e.g. Turkey).

Consumers were a driving force behind the early expansion of marketing and production. They were early actors in setting up CSAs and home deliveries (e.g. Teikei in Japan and 'food fronts' in Sweden in the 1970s). Consumers can also have a strong impact on national and local policy.

Universities: In a few countries (e.g. China and Serbia) the drive to develop organic agriculture has emanated from universities and similar institutions, while in most countries the research establishment has been firmly against organic production, which was seen as (and sometimes is) a challenge to the research establishment.

Certification bodies: Local, national, and foreign certification bodies were part of the early organic movement (e.g. the USA in the mid 1970s, Sweden in the early 1980s, Italy in the mid 1980s, and Southeast Brazil in the late 1980s). Organic farming took off with the creation of a functioning and trustworthy certification system. The certification bodies' work with the standards has been to concretize the definition of organic agriculture as such, laying a common ground for the whole organic sector. It has therefore been important for many different stakeholders, not least the farmers' organizations, to participate in standard development. The early certification bodies were more a part of the organic movement, often part of or controlled by organic associations, than are the commercial companies that now are common.

IFOAM and other international networks: International contacts and cooperation has inspired organic development in many countries throughout the world, building a common ground and providing a voice for the organic movement. To be part of IFOAM has strengthened the capacity of the organic sector worldwide in standard setting, certification, and agricultural policymaking

and lobbying. The contact with IFOAM helped the movements to organize and coordinate in a positive way through regional or national networks.

Similarly, for the Latin American organic movement the network MAELA (Movimiento Agro-Ecológico de Latino-America) has been a strong platform for the development of the organic sector, not least in lobbying and policy issues. Other international or regional networks that have played a role are Pesticide Action Network (PAN) and Pelum in Africa. Also worth mentioning is the north-south cooperation between NGOs based in the North with member organizations in developing countries. One such partnership is the network Future Earth, based in Sweden, where Swedish groups/NGOs cooperate in concept building and practical project support with groups/NGOs in third world countries.

Institutions such as UNCTAD, FAO, World Bank, UNDP, UNEP, development cooperation agencies, and religious institutions have contributed to the acceptance of organic in developing countries' early stage of organic development, while they played no role in developed countries. However, in few of these institutions is organic acknowledged as a main strategy for agriculture development; it is seen more as a tool to accomplish certain limited development goals, such as increased income or protection of biodiversity.

Individual pioneers: Devoted individual enthusiasts were crucial for the start of the organic sector worldwide. Real change often occurs not only from the work of organizations or events in the market and the policy sector, but also from an adequate mix of interested people together with a common will to change. To remind us of the importance of these pioneers, a few have a voice in this study.

Women: Compared with conventional agriculture, women have played a more important role in the development of organic agriculture and the organic sector organizations. It is often the woman in the farm household who initiates the process of conversion to organic. All over the world women are taking leading roles in the development of organic, as farmers, consumers, researchers, traders, and advisors, or in the organization of the organic sector (e.g. Southeast Brazil, Sweden, Thailand, USA).

Human development in the Philippines

An internal evaluation of MASIPAG in the Philippines¹ analyzed women's leadership capacity in the sustainable agriculture programs. In the interviews the women farmers expressed many positive experiences of human development. The obvious empowerment of women has a positive impact on capacity building, economy, cooperation, decision-making, and self-reliance:

- All the interviewed women gave proof of a confidence that was not there before.
- In their new leadership position they learned new things together, like patience, not to speak ill about others, not to lose their tempers, and to listen to other farmers' opinions, and they are better equipped to participate in discussions on farmers' critical issues.
- This has led to more and improved cooperation and more efficient planning and organization in village farming activities.
- Women have become more economy-oriented; they used to be too shy to sell their surplus products, and gave them away instead of seeing the possibility of a small income.
- They have learned not to lose hope.

The interviewed women's attitude towards leadership was not one of gaining power over the men, but about more and better cooperation in the family and among villagers. They talked about the husband and wife now discussing and making decisions together, and the benefits of being open to other opinions. Since leadership is defined as a human quality and a good leader as a strong, mature person who is a good model for others; there is room for many leaders and not much risk for competition and jealousy.

¹ Taguiwalo, J.M, Källander, I. 2006. Evaluation of Masipag's advocacy work 2002-2005. Philippines

Strategic actions and milestones

In the development of a successful organic sector, a number of actions can be identified. Sometimes they were planned strategically by one or several stakeholders, but sometimes they were pushed by external factors.

Sector organization

A well-organized and highly motivated sector, with common goals and a common analysis of the current situation, obstacles, and opportunities, and formulating strategies with a division of roles and functions, is a strong force on all levels. Stakeholder involvement is crucial for the relevance of the decisions in all these areas (e.g. Southeast Brazil). With the opposite situation of an unorganized organic sector that lacks common strategic coordination and planning, development is slow (e.g. Serbia).

Alliances

Cooperation between the organic sector and other environmental, conservation, sustainable agriculture and consumer organizations provides good opportunities for involvement in agriculture policy, extension, research, and education programs and a high capacity to communicate in the market. Dialogue and cooperation with conventional farmers' organizations has been an important step towards a general acceptance of organic farming in some countries. It can mitigate the hostility between organic and conventional farmers and lead to stronger

public support and market development (e.g. Sweden). It is important to remember that the conventional farmers of today will be the organic farmers of tomorrow.

Farmers' involvement

Cooperation among farmers and between farmers/farmers' organizations and NGOs has a special importance in organic development. In developed countries, farmers' organizations played an important role from the start. The organic farmers were the ones who developed organic practices and to a great extent the markets in the early stages. They have been actively pushing social issues affecting farmers and rural populations, and they formulated policies for development and lobbying. Farmers' constant practical efforts to manage organic agriculture according to the commonly held goals are a major reason for consumers' trust in organic products.

A common standard and logo

National unification of the certification system with a common standard and logo is considered a key factor to increase consumers' trust in and identification of organic products. It has been a successful tool to promote market development. It also has given the organic movement a common ground and a voice in the overall development process. Farmer involvement in the early stage of standard development was of major importance (Italy, the Philippines, Southeast Brazil, Sweden, USA).

Media and consumer awareness

The media have played an important role as a source of information and inspiration to consumers and policymakers. Clear communication on the organic standards and concept is crucial for efficient consumer communication. The opposite is mentioned in a few of the cases (the USA, Thailand), where inability or lack of interest to distinguish organic farming from other agricultural concepts hampers consumers' understanding of organics.

Supermarket engagement

An important step in the USA was when the food cooperative movement showed an early interest in organic. A similar experience is the strong early expansion of organic agriculture in Sweden spearheaded by the cooperative food chain. The strategy of the organic farmers' associations was to organize their production and distribution for the mainstream market with the aim of making organic food available to all people in their ordinary food stores. These market actors have contributed greatly in spreading positive messages about the benefits of organic, with eye-appealing products, displays, and packages, and in the efforts to increase organic product quality.

International events

For many countries an IFOAM event in their country/region or visiting an IFOAM event somewhere in the world meant the actual introduction of the organic concept and a start or a strong boost for the sector. One example is the IFOAM trade conference on 'Mainstreaming Organic Trade', held in Bangkok at the end of 2003, which encouraged the emerging organic sector in Thailand. Another example is the first international conference on Organic Agriculture in the Mediterranean Countries AgriBioMediterraneo in Italy in 1990, which gave birth to regional

coordination within IFOAM. In recent years events organized by international organizations such as FAO and UNCTAD also have played an increasing role in building awareness.

IFOAM and the early organic development in Africa described by John Njoroge, KIOF (Kenya Institute for Organic Farming)

'In 1989 the 7th IFOAM conference in Ouagadougou, Burkina Faso, brought organic agriculture to Africa. The Burkina Ministry of Agriculture was the main host. At that time only two African organizations were full members of IFOAM, the Kenya Institute of Organic Farming (KIOF) and Food Gardens Unlimited in South Africa, led by Ms. Pauline Raphaely, one of the five persons who initiated IFOAM in 1972. Most Africans heard of organic agriculture for the first time during the Ouagadougou conference. After the conference, IFOAM felt that there was need to promote organic farming in third world countries, including Africa. One suggestion was to call for papers or presentations on what is organic agriculture and how it is practiced in the third world.

IFOAM decided to organize a Western Europe learning workshop and tour for third world participants. The program was carried out at Emerson College, UK, and involved over 20 Africans from several countries. At the IFOAM conference in 1990, the Africa IFOAM region was created with a coordinator who would bring together other IFOAM members in the region.

In 1992 IFOAM set up a Third World Task Force with myself as a member a year later. Due to lack of resources and infrastructure there were difficulties coordinating the organic movement. John W. Njoroge was invited a year later to become a member of the Third World Task Force. In 1994 the African IFOAM members had their own meeting in Nairobi, attended by 28 organizations from 15 African countries. Organic farming was gaining ground in Africa.

After the IFOAM conference in New Zealand in 1994, IFOAM launched a project called 'Organic Agriculture until 1999' with funds to promote organic development in third world countries. 'OA99' organized a second IFOAM Africa meeting in 1996, where over 40 members participated. The differences between Anglophone and Francophone Africa became apparent; therefore meetings were held in both Senegal and Uganda the same year.

By 1998 there were many organic farming programs and trainings going on all over Africa. The membership of IFOAM in Africa had also increased substantially, up to 68 member organizations by 2007: 32 members in Anglophone African countries, 24 in Francophone African countries and 8 in Mediterranean African countries. The African members represent 9% of the world total.'

Food scandals and negative developments in food and agriculture

Food scandals and other negative incidents in agriculture and the food sector have contributed to consumer awareness and increased market shares for organic products. The Alar report in the USA in 1989 was one such event, followed throughout the 1990s in Europe by e.g. the outbreak of BSE, 'Mad Cow Disease'. The food scandals have offered opportunities for strategic action by the organic sector. One example is the campaign 'True Cost of Agriculture', started in the UK and followed up in Italy. The campaign mirrors through scientific studies the hidden costs of environmental degradation, health problems, and epidemics caused by industrialized/conventional farming. In the Philippines and Southeast Brazil the worsening rural poverty in

the 1980s and 1990s and the commercialization of genetically modified maize and other crops are what triggered the work of many NGO's and elicited the support of many donors to organic projects.

National targets

National targets and action plans have had great importance in the development of organic agriculture, from a fairly early stage in some countries (Denmark and Sweden, 1995). Some of the positive effects of this kind of national strategy are a broad recognition, increased cooperation among stakeholders, and generation of positive attitudes towards organic. In the absence of public targets, the sector organization can also formulate its own targets and then lobby the government to adopt them (e.g. in Sweden)

Conversion to organic – a key issue

Without organic farmers there will be no organic sector. There are several reasons that farmers choose to convert to organic agriculture. The growth in the market and in consumer demand, coupled with favorable government support schemes, has made organic production increasingly attractive economically. Concern over environmental degradation and health problems from handling pesticides are obvious reasons worldwide. For some producer groups, notably in Latin America and the Philippines, access and control over production resources like seeds and technology, and farmers' indebtedness and dependence on external inputs, as well as an unfavorable market situation, are strong driving forces. In these cases conversion has a strong social dimension and a political agenda.

Because of a lack of a supporting infrastructure for extension and research for farmers in conversion in the early period, the main help was the exchange with other farmers. Consequently it was a main incentive for farmers to get together in groups or associations to exchange experiences on production methods and to learn from practical examples. Extension was eventually developed by pioneer agronomists who visited farms to collect experiences to spread to other farmers. This model of participatory extension still remains a widespread and successful method worldwide.

Conclusions

Reorienting and redesigning agriculture in an organic direction requires several different functions, actions, and strategies that complement and reinforce each other: a solid foundation of common values among key actors; knowledge and experience; engaged and dynamic individuals and organizations; possibilities for consumers to identify organic products in the increasingly anonymous food market; political lobbying; and interested and bold market actors. Deep and broad cooperation and dialogue among the stakeholders in the whole food sector, from consumers to decision makers, from farmers to scientists, is essential, and their participation in strategic decisions is fundamental for success.

3.2 Market development

Early market development

Success factors

- The early market orientation of the pioneers was one reason for successful development of organic agriculture.
- Connecting production closely to the market, creating producer-consumer relationships, was an important strategy to generate farmers' profits, but also broad public interest, consumer education, and media attention.
- In most OECD countries, farmers/farmers' organizations and NGOs had their first market focus on the domestic market.
- In many cases small-scale marketing cooperatives chose an early direction towards large retailers and supermarkets.
- The countries with the largest current market shares are those that deliberately focused on supermarket sales. In these countries the organic market is an integrated and established part of the larger market and no longer a niche.
- A big, specialized health food sector meant a lot for early market development.

Obstacles

- Weak development of the domestic market is an important limiting factor.
- Small size and lack of organization of organic production has caused lack of supply and narrow product variety. This leads to lack of interest from actors throughout the supply chain, inhibiting both consumer demand and product development in the food industry.
- Limited supplies are an obstacle for the introduction of organic food in public institutions.
- Lack of promotion or negative and misinformed media result in low consumer awareness.
- Low quality of products and packaging material, poor market presentation, and high consumer prices decrease consumer interest.

The 'Catch 22' of a small market

The organic market is still comparatively small and seldom in balance regarding supply and demand. Some crops are very easy to convert to organic production. They may already be grown in systems close to organic, e.g. smallholder-produced coffee in most of Africa, or extensive olive groves in the Mediterranean region. In those cases the supply can increase rapidly and the demand doesn't always keep pace. After a while, prices may go down, or new or bigger actors join the market and a new balance is reached. The 'Catch 22' mentioned in the Thailand case is common: business does not want to invest in market development when there is lack of regular and reliable supplies, while producers want to see that there is an existing market before converting to organic farming.

The lack of strategy for the development of the market is a problem observed in several of the cases. For example, in Thailand and Turkey many farmers, convinced by the market demand, converted to organic with expectations of easily earning a high income. After a couple of years of depressing results, many left organic production. The same problem has been described for specialized organic stores, e.g. in Turkey, where many stores opened and closed in a few months.

Push and pull in market strategies

In European market research, two principal strategies for developing the organic food market can be distinguished:

- a push strategy focuses on measures to enlarge production with the expectation that increased supply will create demand
- a pull strategy focuses on measures to convince consumers of organic values and qualities, thus creating a demand that gives signals to farmers to enlarge organic production

A push strategy can be successful only if organic market actors join forces to realize the full potential of the advantages of economies of scale associated with a growing supply. It requires concerted promotional efforts to give consumers confidence in organic products and to make it easy for them to identify the products in the market, preferably by a single common label for organic products. There is also a need for suppliers to find general food store chains willing to engage in marketing of organic products.

A pull strategy requires market transparency so that all market actors receive signals of growing demand. A bottleneck is that official statistics are hard to find. Cooperation within the whole supply chain from farmers to retailers is crucial. If actors in one link of the chain are not willing to work together with actors in another link, the pull effect from demand does not reach farmers. Implementing 'round tables' among possible partners can help overcome this problem. Offering farmers incentives and security through medium- or long-term contracts is an effective measure to increase production.

A combination of market supply and demand measures is the most effective strategy.

(Hamm U., Gronefeld F., Halpin D. (2002) Analysis of the European market for organic food. OMIaRD. Volume 1)

Before planning marketing strategies and measures it is important to assess the market situation, to identify which market channels to target, etc. A SWOT analysis can be a useful instrument to find out the factors influencing the marketing potentials. (See Tools, Annex 1) The table below presents an 'average' SWOT analysis of a domestic organic market in Africa¹.

¹ Rundgren G, Lustig P., 2007. IFOAM study on organic markets in Africa. IFOAM

Strengths	Weaknesses
<ul style="list-style-type: none"> • Existence of national organic movement • A good proposition and message • Enthusiastic people engaged for the task and the vision • Some successful pioneers • Existence of national standards • Many organic farms • Export sector with developed supply capacity and high quality standards 	<ul style="list-style-type: none"> • Erratic supply and low quality • Lack of organization of the supply chains • Farmers and farmers' groups are not strong enough to play a role in the value chain • Low consumer awareness • No clear, common identification of organic products in the marketplace • Low involvement of commercial actors • Perspective on marketing oriented too much toward the farmer • Organic assurance systems are undeveloped • Low marketing skills among the people involved • Too much attention to the export sector • Weak development of processing • Unclear distinction between organic and traditional farming • Image of organic sector is weak
Opportunities	Threats
<ul style="list-style-type: none"> • International trends reaching local markets • Increasing awareness of consumers regarding health, nutrition and environment • Media interest • Existence of global supply of organic products (i.e., possibilities to supply markets with imports) • Great opportunities to rapidly increase supply from "default organic" producers 	<ul style="list-style-type: none"> • Governmental programmes that harm organic (e.g., DDT spraying or subsidies of fertilizers) • Government or retailers launch competing scheme • Fraud in organic products (i.e., conventional products being sold as organic)

Current global market development

The global market for organic products reached a value of 25.5 billion € in 2005, with the vast majority of products being consumed in North America and Europe, according to the market research experts of Organic Monitor. For 2006, the value of global markets is estimated at more than 30 billion €. Healthy growth rates are expected to continue in the coming years².

Consumer awareness and demand - a basic prerequisite

In order to increase consumer interest and confidence in organic, consistent and positive messages about organic food in general or a specific product are crucial. Organizations can contribute to consumer education and awareness through conferences, exhibitions and fairs, newsletters, web sites, brochures, posters, and leaflets. Traders can promote organic through their product package, their web sites, newsletters to customers, advertising in magazines and stores, sponsorship of events, product sampling at stores and public events/markets, and media coverage of their company or products. The farmer and the products themselves are probably the most efficient in building trust.

Where broad promotional and educational consumer activities have been carried out for a long time, consumer awareness is usually high. The Italian public is generally well-informed about organic production. In 2001, a survey showed that 73% of Italians could give a correct definition

² IFOAM, FiBL and SÖL. The World of Organic Agriculture, 2007.

of organic agriculture and knew some key characteristics (no chemicals, more natural, etc.). Nearly all the remainder (22%) gave vague, but not wrong, definitions (healthy, genuine, safe). Conversely, where consumer information is lacking, knowledge and recognition is low (e.g. Serbia and the Philippines). For consumer communication there are many benefits in creating links and networks with consumer groups and other groups engaged in health, environment, gender issues, and social development.

The organic sector and the organic market actors are the most important organic educators, but when a government gets involved with e.g. a national target, strategy, or action plan, new possibilities for consumer education open. Publicly sponsored national and regional promotional and informational campaigns have recently been launched all over Europe as part of the European organic action plan.

Nation-wide professional promotion of organic production and products is necessary to increase awareness. Collaboration between organizations and alliances in promotional activities or campaigns has been identified by market analysts as an important strategy^{3 4}. Food processors and retail businesses are target groups for promotion, since they are important actors in the supply chain. Only if they are convinced of the merits of organic farming will they be able to communicate this to the consumers.

All media are good media – almost!

The media have played a significant role from the beginning, continuously disseminating the benefits of organic, showing organic farmers and thus building consumer awareness. It is therefore important for the organic sector to provide the media with organic ‘news’ and facts. In the Turkish organic law, the government even required that ‘the Higher Board of the Turkish Radio and Television Corporation shall take necessary measures and initiatives to ensure that national, regional and local radio and TV stations broadcasting in the territory of the Republic of Turkey give space to educative programs about organic farming for at least 30 minutes a month’.

Experts say that even negative media exposure is better than no media at all. But there are also negative lessons in the country cases. In China, in their efforts to promote organic food, local media sometimes twisted the concept of organic food, which caused ordinary consumers to have less confidence in it. In Sweden a TV-commercial by the supermarket COOP, intended to debate the use of pesticides in food production, met an unexpected protest among conventional grain farmers, and COOP was sued.

A common media strategy among the organic sector organizations can help organic actors to be better prepared and more pro-active in media debates. Contact with and education of key journalists is a way to get good media exposure.

3 Rundgren G, Lustig P. (2007) IFOAM study on organic markets in Africa. IFOAM

4 Hamm U., Gronefeld F., Halpin D. (2002) Analysis of the European market for organic food. OMIaRD. Volume 1

More market information needed

When developing organic food markets there is a basic need for market transparency, so that all market actors receive market signals of growing demand. There is a need for data on production, sales, consumption, and prices of organic products. Market and product development is spearheaded by this information. Not least it is essential for producers to access information about demand, prices, and contract possibilities. Until now market statistics have been lacking in most countries, and reducing this problem has been identified as a priority task for agricultural policy (e.g. Sweden, Uganda).

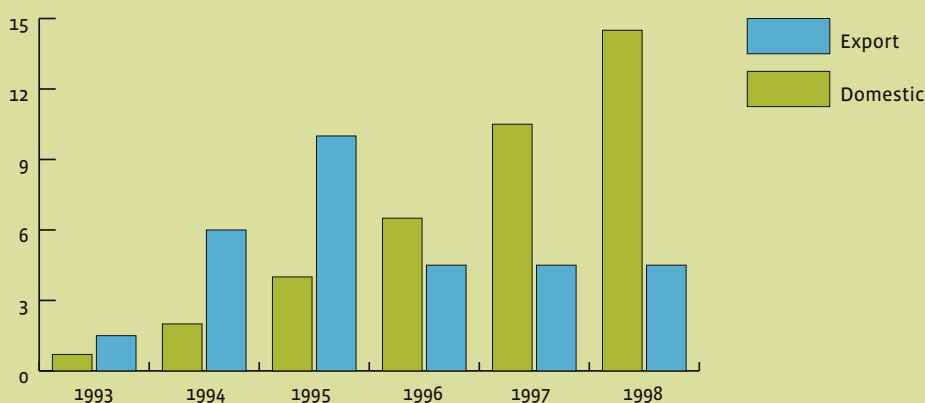
Domestic or international markets?

The commercial drive in most developing countries has come from export markets, while domestic market development has been neglected. This inhibits the overall development of the organic sector, since it limits the market to certain crops, and farmers and will have little impact on public opinion and awareness. But there also are many examples where the organic sector initially developed with an export focus, leading to efficient production and high quality, which in time became attractive on the domestic market. Exports have also contributed to early attention from governments and organizations involved in trade development (e.g. development cooperation agencies, UNCTAD, etc.).

In China, the Philippines, Thailand, Turkey and Uganda, strong initiatives have been undertaken to develop a domestic market after an initial focus on exports. Similarly, imports can motivate domestic producers to convert to organic, seeing there is a market for their products, something experienced in Sweden and the UK.

Development of domestic market and export market in the Czech Republic

As can be seen from the graph it may take quite some time to develop the domestic market. Exports can be a good incentive for stimulating production, and domestic marketing will be facilitated by an increased production both in terms of quantity, quality and range of products.



Source: Organic Agriculture Development, 2006. Grolink

Models for domestic markets

Although all of the countries studied, except the USA, Italy (2%) and Sweden (3%), have a market share for organic that is far below 1%, the organic domestic markets are growing steadily.

There are three principal models for domestic markets:

1. The open market system (general food stores, specialized stores).
2. Direct producer-consumer relations (farmers' markets, box schemes, CSAs, on-farm sales, etc.)
3. Public markets, sales to public institutions and public events

The open market system – general food stores and specialized stores

Most consumers buy their products in shops. Specialized organic stores played and still play an important role in many countries' emerging organic market. Their advantage is that they help the already dedicated consumers find organic food and often also serve as a meeting point, disseminating information about organic. A weakness is the limited possibility to reach 'normal' consumers.

The general food shops, e.g. supermarkets, have the advantage of accessing the broad mass of consumers. In the European study 'Analysis of the European market for organic food'⁵, the countries with 'mature' markets (Austria, Denmark, Finland, Germany, Sweden, and Switzerland) had 72-90% of organic sales in supermarkets and other mainstream outlets. In the USA the mainstream market accounts for almost half of the total sale of organic products. In Italy 95% of the supermarkets had organic products in 1999, and all the largest retail chains have launched their own private organic labels.

In developing countries, too, supermarkets are picking up organic products. An increasing number of producers in East Africa sell to shops and supermarkets, and in China organic food often is sold in the big supermarkets of the biggest cities. In Thailand the market in the last few years has been fueled by the introduction of organic foods into high-end mainstream supermarkets and specialized health and natural product supermarkets.

However, working with organic products in the mainstream market entails some challenges.

- The general food shops are 'demanding customers', since they need large supplies of uniform quality all year round. These requirements can be difficult to fulfill, especially for small-scale producers, and the large retailers often prefer to work with bigger producers with specialized production.
- In the marketing of organic products the large mainstream market actors - retailers, wholesalers, and processing companies - sometimes find it tricky to talk about organic values and benefits since at the same time this is seen as a criticism of the conventional products, which are still the major part of production and sales.
- The premium prices of organic food are generally lower in the supermarkets compared with the specialized stores. This often is due to lower costs per unit when handling bigger amounts,

⁵ Hamm U., Gronefeld F., Halpin D. (2002) Analysis of the European market for organic food. OMIaRD. Volume 1

but there is also a risk of price pressure on farmers/producers. The experiences of working with supermarkets are not so positive in Southeast Brazil, for example, where farmers find they have no power in bargaining over prices.

Contact with consumers through direct sales

In the earliest stage of organic agriculture, direct contact between farmers and consumers is a common way to sell the products. This can be through on-farm sales, sales in already existing farmers' markets, home deliveries, or sales at special events, exhibitions, gatherings of organizations sympathetic to organic, etc. In those countries where the organic sector's early strategy was to work with supermarkets, direct sales are growing again as a complement to the mainstream market. In Italy, Agro-Eco-Tourism, i.e. tourism on organic farms where guests eat organic food, has developed strongly. In the ever more globalized and anonymous organic market, consumers' contact with organic farmers/producers strengthens the products' identity and consumers' trust in organic in general.

Farmers' markets offer a viable marketing opportunity, particularly to small producers. Organic farmers' markets are immensely popular among consumers in the USA and the UK, and countries like Turkey, the Philippines, Italy and Sweden are taking up or reviving the model. In Southeast Brazil the first initiative with street markets was very successful, and the farmers of the Ecovida Network made a strategic decision to develop local and regional markets rather than going for supermarkets and export. Organic family farmers' direct sales increased and sales in local markets proved to increase the farmers' profits. In the Philippines the domestic trade consists exclusively of farmers' markets, and in Turkey the first organic market in Istanbul, opened in 2006, was a success and is spreading throughout the country. Apart from being a direct marketing channel, farmers' markets are excellent for communication and promotion of organic products and organic values.

Box schemes are a model of direct sales of seasonal produce and other organic products through e-mail orders. The consumer subscribes to a box of preferred size and the box is delivered regularly to the door. In Uganda a basket home delivery scheme has been introduced in order to increase the domestic market and local sales. The best-known European example is Årstiderne in Denmark, which has 35,000 subscribers as of 2006, employs 120 staff persons, and is expanding deliveries to Sweden – where a domestic box scheme also has been spreading for the past few years⁶. Box schemes are established on a large scale in the UK⁷. A box scheme is fairly demanding to operate, and only one of the case studies from developing countries (Uganda) reports some experience.

Teikei or Community Supported Agriculture (CSA) are terms given to initiatives that are usually consumer-led and organized between one farmer or a group of farmers and a proportional number of families. Teikei/CSA schemes represent direct citizens' action at the community level to ensure reliable food quality, adequate supply, and fair prices. The general principle is

6 www.aarstiderne.com

7 www.vegboxschemes.co.uk

that families agree to provide livelihood support to local farmers, who in turn agree to provide a sufficient quantity of food to meet the expectations of participating families. The customers' commitments range from taking up all the farm produce to just regular orders. In some cases, a trust/cooperative is formed to purchase the farm, which is to be managed by a farmer on a salary basis. This arrangement currently is practiced more in developed countries than others. None of the cases from developing countries mentions CSA as a viable marketing opportunity.

Voice of an Organic Pioneer – Katsu Murayama, Japan

'In the late sixties and early seventies, a small number of Japanese producers began practicing organic farming methods. These producers were tied to consumers in a type of relationship which eventually developed into the system called Teikei. It was in this social context that the Japan Organic Agriculture Association (JOAA) was founded in 1971. JOAA actively promoted the Teikei movement and produced the Ten Articles on Teikei. I, however, did not believe that Teikei was sufficient to realize an organic society. Therefore, I dedicated myself to creating a self-sufficient community with organic agriculture as its core.

'As environmental destruction worsened and consumer interests in health food rose, several distribution systems that specialized in organic and natural food products were founded (i.e. home delivery, small retail, consumer cooperatives). They were a response to the rising demand for organic products and the correspondingly increasing level of production, which was by then expanding beyond the framework of Teikei. Everyone worked hard to make order out of chaos, for instance by setting up in-house production and processing standards and certification systems. During this period, since there was no public education or research agency for organic agriculture, producers such as ourselves received a large number of visitors and trainees, some of whom settled in our community.

'Until the latter half of the 1990s, the Japanese government did not show any interest in organic agriculture but rather viewed it with hostility. However, when the WTO regime was established they rushed to set up rather low quality organic standards based on the Codex Guidelines and a very strict accreditation system (the revised JAS law). In doing so, they robbed the terminology 'organic agriculture' from the private sector, which had been taking into account the farming conditions in Japan. Furthermore, they revealed their undemocratic nature by prohibiting the use of the term 'organic agricultural products' unless the product was accompanied by an organic JAS mark. Since the implementation of the revised JAS law, the share of domestically produced 'organic agricultural products' distributed in Japan has lowered disastrously to the ratio of 1:10 compared to that of imported products. In the meantime, those participating in Teikei and self-sufficient methods continue to work outside the market distribution framework, choosing not to use the organic JAS label. Many of the supermarkets as well as the National Federation of Agricultural Cooperative Associations have also been seeking alternative venues by establishing their own criteria and labels for food safety and reliability (note: not organic).

'In order to more properly promote the 'organic' concept, colleagues and I founded IFOAM Japan. I believe that one of the most important tasks of IFOAM Japan is to create mechanisms through which citizens can propose policy changes. In fact, the organization has succeeded in persuading some policy makers, who are generally known to be reluctant to take action, to form a federation to promote organic agriculture. This has led to the legislation of a new law on promotion of organic agriculture, which will be soon be passed by the Japanese parliament. IFOAM Japan serves as the secretariat to the national movement 'Let's Change the Way of Agriculture', which aims to make organic a key element in domestic agriculture.

‘Our path to creating an organic society is not easy. More individuals must become committed to bring about changes at the societal level. This implies that each person must fight against the market economy while also compromising with it. We as activists in the organic movement, including IFOAM, organic producers and advocates, can and must play an important role in driving forth these social changes.’

Public institutions

Organic food in public institutions such as schools, nurseries, and hospitals, started in Italy already in the mid 1980s, when some regional organic farmers’ cooperatives addressed local schools, involving teachers, children, parents and cooks in educational activities while providing the kitchens with products. It is a strategy that also has a good effect on private consumption. Another opportunity is to position organic foods in major public events (conferences, cultural or sports events) or strategic places (e.g. in the parliamentary canteen). In the cases from developing countries, the public sector in general still is an undeveloped part of the market. In Thailand, despite a lot of discussion, no public institutions have yet made a commitment to purchase organic produce. The Ecovida Network is the only one to report how sales to public institutions have proved to be an excellent way to increase organic production.

A national policy or target has a great impact on local and regional food policies. Education of kitchen staff is crucial to create the necessary engagement in handling the challenges of new recipes, menus based on seasonal produce, different packaging, and difficult logistics. Availability of current statistics of organic products and their use in the public sector are important, and systems for coordination and cooperation to handle the low availability and lack of products need to be elaborated.

Good marketing potential in diversified market

In the more ‘mature’ organic markets nowadays, especially in Europe and the USA, but also increasingly in developing countries, a diversity of market channels has been proven to support the total expansion of organic production and consumption. Producers can choose a marketing strategy that suits their particular situations, and consumers can choose how and where they want to procure their organic food, depending on what criteria they value most.

In countries where the mainstream markets developed early, specialized stores nowadays again are increasing, forming a good complement and supporting each other in a diversified market. In Sweden, sales of organic products in supermarkets in Stockholm increase during the periods when the farmers market is open. Vice versa, in the USA the expansion of organic into mainstream market channels has not resulted in losses in direct sales.

Exports and imports

Export markets played a dominant role in the initial stages of organic in Eastern Europe and in four of the five developing country cases, with the exception of Southeast Brazil. Export activities in these countries mostly are managed by export companies and producers as part of their existing trade. Government involvement has mainly been through efforts to get recognition according to the importing countries’ regulations (e.g. China, Serbia, Turkey) and in export promotion activities (e.g. China, Brazil, Thailand). Organic export promotion activities

by producers in developing countries also have long been supported by development agencies (e.g. CBI, CDE, GTZ, SIPPO, Sida, USAID), but sometimes also by national export promotion agencies. The Brazilian Export Promotion Agency has invested over US\$800,000 in the Brazil Organics project, in part to increase the participation of Brazilian organic companies at BioFach organic trade fairs in Nuremberg, the USA and Japan, and in part to link buyers and journalists to organic projects in Brazil by supporting their participation at BioFach America Latina⁸.

When designing export promotion programs, the special nature of the organic markets needs to be understood. The outlets or programs designed for conventional products may not be the right ones for organics; exporters who are used to selling bulk commodities often are less inclined to understand the demanding and quality conscious organic markets, and new practices and treatments need to be adopted. Personal contacts between seller and buyer, which are important in all business, are even more important for organic exports. Organic exporters need to cooperate in their export marketing activities. Joint promotions that include market actors and the government can give the country a good image as a supplier of high-quality organic products. Technical solutions to deal with problems also need to be developed, e.g. many export crops are regularly fumigated with chemicals that are not allowed in organic agriculture; however there are alternative treatments, such as carbon dioxide or freezing. Joint facilities for such treatments in a central location or in export harbors should be established.

Export marketing of organic products puts high demands on the certification bodies. They need to service the exports with certificates, transmit inspection reports to other certification organizations, and respond to queries from importers, authorities, and certification bodies in the importing countries. They may also have to seek direct accreditation for export markets, e.g. NOP accreditation and IFOAM accreditation. International certification bodies have routines for this. Domestic bodies will need support to train their staffs and get their procedures in place to be an efficient service provider. They will most likely also need financial support for accreditation.

The focus of the export market is often entirely on producing cash crops for export, raw materials, and commodities, with the risk of neglecting the production of food crops and the sustainability of organic production systems. Development can even be inhibited by the fact that the companies are not seen as a part of the 'movement'. Sometimes, however, it turns out that farmers are successful in making themselves independent from the exporter/importer they started with, selling also to other buyers.

Imports of organic products can be seen as competition for local/domestic producers. But imports can also be an important stimulus for domestic market development. They can serve to bridge gaps when there is a lack of supply and thus help motivate trade and consumers to engage in organic. When producers perceive that there is a demand and a growing market they will be stimulated to convert to organic, which will lead to increased domestic production and overall positive market development.

⁸ IFOAM (2005), Press Release Bonn, Germany, December 15th, 2005 from Biofach America Latina

Farmers/farmers' groups and NGOs – their roles in market development

Farmers' groups can develop into commercial actors by e.g. forming a cooperative or a marketing association that organizes production, distribution, and sales, and even develops processing units. The case studies, however, show that farmers are not the most effective market actors on their own. Often they are dependent on a supporting NGO, but most often not even the NGOs are the best suited for this. (In a number of countries it also is illegal for them to take an active marketing role.) NGOs should rather focus on facilitating the development of market channels and farmers'/producers' access to them. Instead of doing the actual buying and selling, NGOs' most important task should be to engage commercial actors and assist the farmers to be strong partners in their main role in the organic value chain, to organize the production and to become skilful producers of high quality raw materials. This can be done through promotion, capacity building of the actors, collection of market information, etc.

There are reasons to be critical of the ethics of middlemen in general, but most markets still need private traders (an occupation actually even older than farming) for their development, and the anti-trade, supposedly farmer-friendly bias that many NGOs have in the end is counterproductive. Also, pioneer traders should benefit from support from NGOs.

Price setting of organic products

The case studies show very different experiences in the pricing of organic products. In general - but not always -- the farmer/producer gets a price premium for the organic products, mainly due to the higher costs of production or lower yields compared with conventional farming. Farmers in countries with generous subsidies can afford relatively lower price premiums, while farmers in countries without such subsidies may need a higher price premium. As most organic markets in developing countries are 'young' and small, there are high costs for collection and distribution of products, resulting in high product prices. Organic premiums in many developing countries are therefore higher than what is common in Europe, for example.

In developing countries, one should have realistic expectations about the domestic market for any food that commands a premium price. Nevertheless, even in the poorest countries there are enough people who can afford to support the development of a premium organic market. The general awareness of environmental and health issues related to food and agriculture is growing in developing countries also, creating an increasing interest in organic food. In China, for example, where the price is often 3-5 times higher than that of conventional food, improving living standards are leading to a demand for organic products despite the very high prices.

The farmers' premiums are often a small part of the total cost of organic products. The high retail prices of organic products are mainly the result of a limited supply. Increased production is an important strategy to reduce one of the most costly market barriers: the expensive handling of small amounts of niche products through the whole chain. When production grows, logistical advantages appear that may reduce the retail price with little or no pressure on the farmers' premiums. A common conclusion is that increased production that can provide an expanding processing industry and market is the most effective way to develop the organic sector and will reach more consumers, and not only wealthy ones. The farmers' premiums at the same time have to be motivated through another process of product quality assurance and information

about the costs, awareness about organic values, and transparency throughout the whole chain from producer to consumer.

Porto Alegre, Brazil – No premium price

An important principle proclaimed by various ecologist organizations in Brazil is that ecologically produced food should not be more expensive for the consumer than conventionally produced food. This is a moral standpoint, given the extremely unequal income distribution in the country. Healthy food should be available to the entire population, not only to an elite. It also reflects the fact that ecological production methods are considered less expensive than conventional -- there is no reason for higher prices. This philosophy is guiding the Centro de Agricultura Ecológica (CAE)-Ipê, an important member of the Ecovida network. CAE-Ipê has assisted in the establishment of several organic farmers associations that mainly market organic products at the same price as conventional. The main buyer is the cooperative street market Coolmeia¹.

¹ Rundgren, Gunnar; Bovin, Hans, v Elzakker, Bo; Källander, Inger, Kung Wai, Ong, Vascones, Sigrid (2006). Organic Agriculture Development – training material from Grolink AB

One common mark to help consumers

A common mark that is actively promoted has in all cases proven to be a main marketing tool, as consumers can easily recognize a mark and associate it with organic. In most of the case studies a common label is considered a help for consumers to identify organic products and a way to build trust in them. In Sweden, 96% of consumers recognize the private KRAV mark⁹ and in Denmark 92% of consumers recognize the governmental label for organic products. Compulsory use of a common mark linked to a regulation (EU) has been criticized by the organic sector in countries that have a national mark with high recognition. A mark doesn't have to be a certification mark, i.e. owned or controlled by a certification organization; it can be a mark that is available to all organic producers following a certain standard (or equivalent standards) under recognized conformity assessment systems (e.g. it can be used equally for PGS and third party certification). It can be owned by the government (e.g. the US organic seal) or by sector organizations (e.g. the East African Organic Mark). To allow imports to carry the mark will strengthen organic market development, facilitate processing, and reduce the obstacles to organic trade.

In the USA, Italy, and Sweden, a common standard has been a main promotion tool. Besides the market value it has strengthened the organic sector in the overall development process by creating common ground and understanding among stakeholders, increased knowledge about organic agriculture, distribution of responsibility to many different actors, and stringent communication of organic values. A common standard is considered a way to reduce the risk of fraud in the organic market and to eliminate the 'more organic' competition between certification bodies. A common standard is also the normal basis for a common mark.

⁹ KRAV (2005) Press release 19 Jan 2006, Uppsala, www.krav.se

Conclusions

The initial marketing efforts should be oriented towards simple chains and direct marketing. Once the sector grows, multiple marketing strategies suitable for different farmers and different markets should be developed.

Consumer interest and willingness to buy organic food, often at a higher price, is the foundation for strong and efficient market development. Consumer awareness is built with availability of good quality products and positive promotion by market actors and other sector organizations. A common logo and standard is an effective tool for building trust and promoting organic. The media play an important role in spreading the values of organic, informing about the logo, and presenting good examples. Education about organic on all levels through the food chain is essential. Low availability of products is often an obstacle for public procurement of organic products, a situation that requires systems for coordination. Market information, including the status of production, sales, prices, and use of organic products, is an important tool for all market actors, not least the public sector and the farmers. To organize farmers/producers for marketing is important for the supply and for quality improvement, apart from the empowerment aspects.

Development of a diversity of market channels is essential for long-term growth of the organic sector and for the establishment of successful and sustainable organic businesses. Large outlets such as supermarkets, as well as specialized stores and direct sales, complement each other and stimulate each other's growth rather than competing for market shares. Analysis of efficient market channels adapted to the local/national situation is essential, and a combination of market supply and demand measures is the most effective strategy. Export often plays a big role, especially in the initial stage. Exporters need to consider the special demands of the organic market. Cooperation between exporters and between sellers and buyers in marketing activities and promotion as well as in solving technical problems is important.

Key actions and stakeholders in three development stages

Development stage	Recommended actions and stakeholders
Budding stage	<p><u>Domestic market</u></p> <ul style="list-style-type: none"> - Individual market initiatives to develop a market suitable to their capacity and expected demand. Most likely this will be a niche market targeting small groups of consumers with short supply chains. - Marketing initiatives to cooperate in consumer awareness activities, e.g. participation in annual events. - Marketing initiatives and sector organizations to develop a practical organic labeling scheme whereby organic products can be identified to consumers. - Market image to be consistent with the values of the key target consumers (most likely not the average consumer). - Sector organization to facilitate marketing by creation of some opportunities at events, by developing the image and labeling schemes, and by assisting with practical needs of the initial marketing initiatives, e.g. packaging materials. <p><u>Export market</u></p> <ul style="list-style-type: none"> - Exporters to learn the features of international organic markets. - Exporters to cooperate in their efforts to make the country appear to be a reliable supplier of good organic exports. They should also try to cooperate in logistics, e.g. sharing containers. - Sector organizations to organize producers and negotiate with foreign certification organizations for good service, reasonable costs, and use of local staff. - Government or sector organizations should acquire knowledge of the maze of organic import regulations in order to advise exporters on how to handle them
From marginal to promising alternative	<p><u>Domestic</u></p> <ul style="list-style-type: none"> - The organic labeling scheme to be continuously developed, adding components of quality assurance, e.g. certification and PGS systems. - Marketing initiatives to enter strong cooperation, e.g. by forming cooperatives or similar. - Sector organizations to develop a generic marketing strategy to increase organic sales. Sector organization should try to avoid getting involved too deeply in individual marketing initiatives to avoid conflict of interest and loss of credibility. - Larger-scale consumer awareness campaigns to be designed by sector organizations and marketing initiatives. - Government to engage in promotion of organic e.g. in consumer information and environmental campaigns and also by serving organic foods at major events. - Local and central government to procure organic foods for schools, hospitals and other public institutions - Attempts to get organic products into mainstream channels and lower the distribution costs. - Observe pricing strategies to avoid having organic perceived as prohibitively expensive. <p><u>Export</u></p> <ul style="list-style-type: none"> - Exporters, sector organizations and government to develop export strategy and to promote the export products at strategic events, e.g. Biofach - Cooperation among exporters to continue to create a strong 'brand' of organic from the country

3. BUILDING SUSTAINABLE ORGANIC SECTORS

Mainstreaming stage	<u>Domestic</u> - Uptake of organic by major businesses. - Sector organizations to promote and facilitate multiple marketing strategies adapted to all kind of producers and consumers. - Market image of organic to be adjusted to mainstream consumer expectations and preferences.
	<u>Export</u> - Joint export efforts to continue.

Main recommendations and main responsible actors

Main recommendations	Main responsible actors (In alphabetical order)
1. Sufficient market analysis should be conducted and marketing activities should be planned before major initiatives are taken to increase supply.	* Private sector organizations
2. A common (national, regional or international) mark for organic products is a key factor for market development and should be established and promoted.	* Development NGOs
	* Donors
	* Government
	* Private sector org/alliance
3. Domestic market development strategies should include measures for both the supply and demand side, including the role of imports.	* Development NGOs
	* Government
	* Private sector org/alliance
4. The organization of farmers regarding marketing, joint distribution and storage should be supported.	* Development NGOs
	* Donors
	* Farmers' organizations
	* Government
5. Work to improve product quality should be encouraged both for export and domestic markets.	* Development NGOs
	* Donors
	* Farmers' organizations.
	* Government
	* Private sector
6. Consumer education and awareness should be actively promoted. The media and schools are strategic target groups. Stakeholder-driven campaigns should be encouraged.	* Consumer organizations.
	* Development NGOs
	* Donors
	* Government
	* Private sector org/alliance
	* Research institutions
7. Public procurement of organic products should be encouraged, including featuring organic food at important public events.	* Development NGOs
	* Government
	* Private sector org/alliance
8. Market information systems should be established and made accessible to market actors, including farmers.	* Development NGOs
	* Private sector organizations
	* Donors
9. Export promotion activities should be supported, recognizing the special nature of organic markets. Organic exporters should be encouraged to join forces to promote and market their products.	* Development NGOs
	* Government
	* Private sector organizations

10. Alliances with consumer organizations and other interest groups should be sought.	* Development NGOs
	* Private sector organizations

3.3 Regulatory framework, standards and certification

Early development of standards and certification

Success factors

- A local certification program and body were a common start for farmers to join organic agriculture and for the domestic market to develop.
- Unification of the organic concept under one standard, private or public, applied by all organic producers, certified or not, helped build trust in organic products and paved the way for a common mark.
- Broad and active stakeholder participation in the development of standards was crucial in this achievement. It served to build common ground, greater knowledge about organic, sharing of responsibility among actors, and stringent communication of organic values, and gave the sector a voice in the overall development process.
- Farmer involvement was particularly important in the early stage, and good cooperation between the private sector and governmental institutions was essential. .
- The IFOAM Basic Standards have served as valuable guidelines for national and regional standard-setting and certification.
- Alternative certification with participatory mechanisms developed successfully in Brazil in parallel with the development of third-party certification in Europe and the USA.
- Stakeholder involvement also is crucial for the development of a good and relevant national law.

Obstacles

- The absence of standards and certification organizations hampered organic market development, even by authorities who considered the unregulated organic market ‘illegal’ or ‘fraudulent’.
- However, the existence of several seals and sets of standards caused consumer confusion in the market.
- A negative experience of government agencies getting engaged in organics is that they are overly preoccupied with the guarantee system, and give too little attention and resources to other areas, such as extension, conversion supports, and consumer education.
- Regulations that are constructed in order to apply to all the main international standards are a problem, since they are not adapted to the local situation and may cause difficulties for operators who cannot follow them.
- At the same time, few stakeholders understand export market regulations well enough to properly grasp the limited potential of national or regional standards for international trade.
- Many governments have copied the EU regulation for organic with the view to get acceptance by the EU, but that strategy has failed in most cases.

From ideas to standards

Voluntary standards and inspection systems began to develop independently in parts of Europe, the USA and Australia. However, on-site inspection to verify that farmers met the standards did not commence until the mid 1970s, when the first organic seals were born. During the 1970s, groups of farmers in different parts of the USA began to embody the principles of organic farming in standards. These early standards did not have broad public input and were owned by the farmer organizations and certification businesses.

In the late 1970s and early 1980s, certification organizations were developed around the world. Many of them developed as producer/consumer groups and some (Soil Association, California Certified Organic Farmers) retain this balance today. In the mid 1980s, several organizations specializing in certification were established, such as Skal (Netherlands), KRAV (Sweden), and Farm Verified Organic (USA). With the advent of regulations in Europe and elsewhere in the 1990s, organic certification became of interest for commercially driven certification companies. Despite the complexity of farming systems and the wide variation in agro-ecological and social conditions that influence them, by the end of the 1990s there was broad global agreement regarding what constitutes organic food production and processing. This achievement can largely be credited to IFOAM¹⁰.

IFOAM published its Organic Standards in 1980 and has continued to revise them regularly. IFOAM's Basic Standards and the IFOAM Accreditation Program are generally respected as the international guideline upon which national standards and inspection systems may be built, and have been used extensively as a reference by standard-setters and legislators. Most of the case studies recognized how the IFOAM standards facilitated their development of national and regional standards. There currently are two international standards for organic agriculture. The Codex Alimentarius is a joint FAO/WHO commission for food standards; its guidelines for the production, processing, labeling and marketing of organically produced foods (GL 32 – 1999, Rev. 1 – 2001) - CAC/ GL32¹¹ were finally adopted in 1999. The IFOAM Basic Standards are published as part of the IFOAM Norms, and were last revised in July 2005¹².

10 Rundgren, Gunnar; Bovin, Hans, v Elzakker, Bo; Källander, Inger, Kung Wai, Ong, Vascones, Si-grid (2006). Organic Agriculture Development – training material from GroLink AB

11 Available at http://www.codexalimentarius.net/download/standards/360/CXG_032e.pdf

12 Available at http://www.ifoam.org/about_ifoam/standards/norms.html

From idea to legislation

1924	Rudolf Steiner lectures on agriculture
1924	Demeter biodynamic label founded
1940	Sir Albert Howard publishes An Agricultural Testament
1942	J.I. Rodale publishes the first issue of Organic Farming and Gardening
1943	Lady Eve Balfour publishes The Living Soil
1946	Soil Association founded in UK
1967	Soil Association publishes first organic standards
1972	Founding of IFOAM
1974	Oregon State (USA) adopts legislation
1979	First California Organic Foods Act adopted
1980	IFOAM Basic Standards published
1985	France adopts legislation
1990	Organic Foods Production Act passed in USA
1991	EU Regulation 2092/91 adopted
1992	Establishment of the IFOAM Accreditation Program
1999	Codex Alimentarius guidelines adopted
1999	EU organic livestock regulation published
2000	Japanese organic regulation published
2000	US national organic standards published

(Adapted by Gunnar Rundgren from articles by Suzanne Vaupel, International Legislation and Importation, and by David Crucefix and Francis Blake in the Handbook of Organic Food Processing and Production, Oxford 2000.)

Standard development - a participatory process

Several of the cases underline the importance of stakeholder participation, especially in the early stage of standard-setting. The practitioners especially should be heavily involved in order to ensure that the standard is understood, accepted, and actively used. The successful work on the East African Standard is partly credited to the participatory process behind it, and in Southeast Brazil the method used by the Ecovida Network is completely participatory. In Italy the implementation of the EU regulation involved representatives both from public administration and the organic movement, including farmers' and consumers' organizations. The first organic Basic Standards of the Philippines were developed by many organizations in a thoroughly consultative process. The Swedish stakeholder cooperation setting the KRAV standards created solidarity towards KRAV, not least among market actors, which is a main factor for successful market growth.

There are approximately 70 countries with some kind of official standards and another 100 private sector standards¹³. Most of the standards are quite similar. Some of them clearly reference the mentioned international standards (e.g. the Indian regulation is basically identical to the IFOAM standards of 2002, the Brazilian regulation uses the list of inputs from Codex, and

¹³ TOS (2005), The Organic Certification Directory, The Organic Standard, Issue 52, August 2005, www.organicstandard.com

Malaysia's standards reference both), but several of them also reference other foreign standards, in particular the EU regulation (e.g. China, Turkey).

China, Italy, the Philippines, Serbia, Sweden, Turkey and the USA have mandatory organic standards. In Thailand there are both private standards and voluntary governmental standards, but the interest in using the voluntary official standards is low. In Uganda almost all organic production is certified according to EU regulation 2092/91, but increasingly also according to JAS and NOP. In Brazil the organic Law 10831 was passed but is not yet enacted/enforced. Due to the work of Ecovida, the law has a space allowing participatory certification. In all the countries, producers for exports normally follow and are certified for conformity with the export market standard. Also, Italian or Swedish producers wanting to export to the USA have to follow the US NOP rather than the EU regulation, and vice-versa.

The case studies highlight that standard development can't be done in isolation from market realities. Therefore it is essential to be clear about the scope of the standard and its intended use: is it for the domestic market, the export market, or both? How will it apply to imported products? For export markets, the simplest solution is to follow the standards of those markets, but standards in export markets may be too demanding for the domestic situation.

It is widely recognized that for organic production, local conditions vary too much to have one very detailed international standard¹⁴. The use of foreign organic standards is convenient for trade, but most of the time definitely not for the producers, and in particular not for smallholders. In China, a standard more suitable to the domestic situation is being discussed since the very stringent national standard may be hampering the expansion of organic agriculture. Of course, it is preferable to have a single standard that applies equally for domestic and exports, but in reality it often means that the practical choices are either to adapt the domestic standard so much to the export market that it is no longer appropriate for the local conditions, or to make export access impossible because the standard doesn't fulfill the requirements of importing markets. It obviously depends a good deal on the attitude of the importing country regarding how much of a difference can be accepted between the standard of the importing country and the exporting country.

The Brazilian organic movement is concerned that the organic regulation should be adapted to the country's geographic, climatic, social, political, and economic environment. It should not create internal barriers by adopting international standards established mostly by high income countries. At present a Brazilian organic producer wishing to export must follow the importing country's regulations. Consequently, a Brazilian regulation is not necessary for exports. Instead its purpose should be to develop a strong domestic organic market¹.

1 Fonseca, Fernanda (2006), Meandering consensus building in Brazil, *The Organic Standard*, Issue 58, February 2006, www.organicstandard.com

14 ITF, 2005. Strategy on Solutions for Harmonizing International Regulation of Organic Agriculture, Geneva, UNCTAD, FAO and IFOAM

Certification and active certification bodies

In all ten case studies there are domestic providers of certification service. In all of them, except Italy, Sweden and the USA, foreign bodies also offer certification. In the cases from developing countries, domestic certification bodies normally dominate certification for the local markets, while the foreign ones are oriented towards the export market sector.

A locally based certification body often plays a big role in the local development of the sector and the formulation of locally adapted standards (e.g. Brazil, Sweden, Uganda). A branch of a foreign body mainly offers service for the export market and is rarely engaged in local development in the same way (e.g. China, Serbia, Thailand, Turkey). For producers wanting to develop the home market, it may cause problems if the only certification available is to foreign standards and the cost level is adapted to the export sector. In some regards an organization with a local presence also can exercise more efficient controls and react quickly to important developments that may affect certification. Another model is to work with regional certification organizations.

Regional certification cooperation - BioLatina

Four small certifiers, CENIPAE (Nicaragua), Inkacert (Peru), Biomuisca (Colombia), and Biopacha (Bolivia), all established between 1988 and 1996, began to consider the idea of joining forces. GTZ, a German development agency, had the role of catalyst in this process. The four organizations first established cooperation in 1995. Amidst concerns and fears of loss of identity, they decided to merge into Bio Latina in December 1996 and seek accreditation from DAP, a German-based accreditation body. They received ISO 65 accreditation in 2001.

In April 2002, Bio Latina was among the first group of CBs to be accredited by the USDA for the US market. It now has agreements with ICS Japan and QAI for the Japanese market. Many import authorizations into the EU based on Bio Latina certification have been issued. Bio Latina is interested in IFOAM accreditation but cannot afford it at this time.

Bio Latina provides services for organic and in-transition (conversion) certification, bird-friendly coffee inspection (as subcontractor of the Smithsonian Migratory Bird Center), and inspection for Naturland certification. Bio Latina's main clients are small farmers' organizations. The company is particularly proud of the way they deal with 'collective certification', their assessment of the internal control system and their 20% minimum annual inspection rate of group members by Bio Latina's inspectors¹.

¹ Ong, Kung Wai (2006). Cooperation between conformity assessments bodies (CABs). In Organic Certification, the International Task Force on Harmonisation and Equivalence in Organic Agriculture, http://r0.unctad.org/trade_env/ITF-organic/welcome1.asp

The investment costs for setting up a local program are considerable and may take resources from other activities. Lack of competence and information in the start-up phase may be additional obstacles, as well as difficulties in getting international recognition. However, if the certification body focuses on local market development and designs an appropriate system that is not too demanding, it can be established much more quickly and at a rather low cost. One strategy is to mimic the way that many certification bodies in developed countries were formed in many small steps, starting with a labeling scheme by an NGO based on peer-review, and

gradually developing a more independent certification body. The major obstacle to this is the belief that the only reliable quality assurance is one made by an ISO 65 accredited certification body.

Certification costs an obstacle to certification

Cost of certification and other requirements, such as documentation, are often cited as obstacles for certification and subsequently for access to markets, especially for small producers. Moreover, the conversion period is costly when producers cannot yet sell their products as organic. In many projects in developing countries, certification costs are paid for in whole or in part by development projects, or in a few cases by exporters or importers¹⁵. In some EU countries as well as in the USA there are government programs to reduce certification costs for farmers. In Thailand, government certification is free for the farmers, and in China, companies that are certified can get up to US\$4,000 from the state government. Certification costs are related to the premium prices, and if the premiums were to fall, costs for certification would need to be further considered.

Group certification and Internal Control Systems - ICS

Group certification is a concept developed over the last 10-15 years to allow producers to organize themselves into groups with an internal control system; it is practiced e.g. in China, Serbia, Thailand, and Uganda. It is not formally recognized in most regulations, but through a consultative process by IFOAM it has more or less attained global de facto acceptance, at least for producers in developing countries. With group certification the role of the external certifier is mainly to verify that the internal control of the group is working, rather than inspecting the individual farms. Through group certification, producers can get access to and assistance in the complicated organic certification process, as well as reduced costs. However, there are substantial demands for qualification and resources at the group level that pose limitations to its application. IFOAM has developed a guide for the management of internal control systems, along with training manuals¹⁶.

Alternatives to third-party certification

In 'distant' markets with several middlemen between the producer and consumer, third-party certification is the most common, and for organic trade in international markets it is required. But there also are situations where third-party systems are disputed and alternative ways of ensuring the integrity of the production have been proposed. There might be little or no need to have formal certification for systems like Community Supported Agriculture (CSA) or Teikei, where consumers have direct contact with the producer and the production. Similarly, organic farmers who don't market their products as 'organic' may not need certification at all.

15 Damiani, Octavio (2002), *Small Farmers and Organic Agriculture: Lessons Learned from Latin America and the Caribbean*, International Fund for Agricultural Development, Rome

Giovannucci, Daniele (2005). *Organic Agriculture and Poverty Reduction in Asia*. International Fund for Agricultural Development: Rome

16 Available at www.ifoam.org

In general, certification is not developed with consideration of the aspects of social control or peer review, but there may be possibilities to integrate certification and social control. In some developing countries a more creative interaction between certification and other social control mechanisms may be more appropriate than the prevailing system.

Participatory Guarantee Systems – PGS

A Participatory Guarantee System (PGS) is based on the assumed integrity of the peasant, the peer review within an association of farmers, and some additional safeguards, and thus imply a shift in responsibility compared with third-party certification. The guarantee system is created by the farmers and consumers it serves, encouraging or even requiring direct participation of consumers¹⁷. They are often designed for small producers selling in local markets with the aim of involving less administration and lower costs than third-party certification. The standards used are often the same as for the third-party certified production. PGSs emphasize the sharing of knowledge and experiences by supporting and encouraging producer groups to work together. Open information and transparent, systematized decision-making processes are other characteristics.

For the time being, there are no international norms for what constitutes a participatory guarantee system, and there is great variation in how they operate. Brazil and Bolivia accept so-called 'participatory certification' within their regulatory system¹⁸, and it is under consideration in Chile, Costa Rica and Peru. Alternative guarantee systems also have been reported from the Philippines and Thailand. A PGS model recently developed in India builds on existing PGS programs in Brazil, New Zealand, and the USA. Members of Ecovida have produced a manual¹⁹ as a model for other groups and have also been invited to share their experiences in other Latin American countries where organic laws are being elaborated.

PGS and other non-third-party quality assurance systems are spreading in developed and developing countries alike. They often address not only the quality assurance of the product, but are linked to alternative marketing approaches (home deliveries, community supported agriculture groups, farmers markets, popular fairs) and help to educate consumers about products grown or processed with organic methods. It is important that governments do not inhibit this development through overly rigorous regulations, as formal certification may not be what is demanded in the domestic market. It is equally important that those promoting and developing PGS ensure that they are credible and transparent.

17 IFOAM, 2004

18 TOS (2006) Bolivia sets up organic development The Organic Standard, Issue 59, March 2006, www.organicstandard.com

19 Available at www.ifoam.org

Comparison of Participatory Guarantee Systems and Internal Control Systems

There are some key differences underpinning ICS and PGS systems of certification:

- In a PGS considerable farmer time is spent in sharing of techniques, ideas, and general farmer capacity building. This is not required in an ICS system.
- PGS is focused on developing and expanding local markets, while ICS Certification is generally focused on commodity and export products.
- PGS is a certification system for the whole farm, allowing farmers to sell all the crops from the farm as certified organic. ICS certification is often limited to exportable products – the remaining locally saleable products may not be sold as ‘certified organic’.
- PGS certified farmers are flexible in regard to the market – they are free to sell their crops individually to whoever offers the best price, while ICS farmers most often operate under restrictive ‘Common Point of Sale’ requirements.
- PGS farmers are key decision-makers regarding who is and who isn’t certified in their own local group. This social control is an important compliance mechanism. ICS-certified farmers, on the contrary, sometimes find themselves united against an outside ‘enforcement body’, which can impede reporting of non-compliances by individual farmers in the group.

There are also enough similarities between the systems to make it possible for PGS users to obtain ICS group certification in order to take advantage of international export opportunities.

Organic Regulations

An organic regulation is a set of governmental rules for products marketed as organic. The trigger for organic market regulations can be either the producers who want the government to have a role in this or the government itself that wants to control the sector. When there is a mandatory organic regulation, sales of organic products that do not fulfill the requirements of the regulation are unlawful. If the regulation is voluntary, producers can claim adherence to the regulation and then have to follow the regulation, but other organic producers are not prevented from selling their production as organic. The word regulation is used to cover the whole regulatory package, i.e. laws, decrees, regulations, ordinances, and public standards, recognizing that regulatory practices differ.

Because of increasing trade with mainstream retailers within and across borders along with a concern about the risk of fraud, the organic sector itself in the USA and the EU pushed their governments for legislation. Several states in the USA began to regulate the organic label, and by the late 1980s there were 13 state laws and regulations for organic production and labeling. The USDA regulations for organic foods took effect in October 2002²⁰. In Europe, Regulation 2092/91 was adopted in 1991²¹. It has probably had the most far-reaching consequences on the organic movement, because it was the first regional, statutory definition and because Europe represents one of the largest markets for organic products.

²⁰ National Organic Program (7 CFR Part 205)¹²

²¹ Council Regulation (EEC) 2092/91

By 2005, 70 countries had organic regulations in various stages of implementation. Of the studied cases, Brazil (2003), China (2005), the Philippines (2006), Serbia (2006), and Turkey (2005) have national regulations, while Italy and Sweden are subject to the EU regulation. In Uganda there is no demand from the sector for a mandatory regulation, and in Thailand the government pursues a voluntary regulation.

Table 1. Overview of countries with organic regulations

Region	Fully implemented	Final but not yet implemented	In draft
EU-25	25		
Rest Of Europe	6	5	1
Asia & Pacific	7	1	5
Americas & Caribbean	3	5	7
Africa	1	1	2
Middle East	1	-	1
Total: 60	43	12	16

Source: Commins, 2004; Kilcher et.al. 2006

In OECD countries the regulations are often, but not always, triggered by a concern for the domestic market, while in most developing countries they have been installed mainly, and in some case only, for exports. Regulatory objectives such as strengthening the competitive position of domestic producers, increasing farm income, and protecting the environment have been added to the initial ones relating to truthful labeling. In the EU, the regulation for organic marketing also forms the foundation for directed support to organic farmers under the agro-environmental programs of the Common Agriculture Policy.

Regulation is seen as a tool for assisting organic producers to access export markets through equivalence agreements, but often the result of national regulation is just another layer of complication for producers. If the aim is to support the export sector, it may be sufficient to make a governmentally supervised system for export marketing of organics. The case studies show that exports of organic products are flowing from the countries without regulations, e.g. Thailand and Uganda. With the exception of some exports from Italy to Japan, also from the countries with regulations, access to export markets is not obtained with the help of the regulation. So far only three developing countries (Argentina, Costa Rica, and India) have been recognized for imports to the EU, and no country has been recognized by the USA. The recent change²² of the EU regulation on organic will also make it easier for certification organizations to get direct recognition by the EU regardless of whether or not there are regulations in the country of operation. The key to export market access lies in competent and qualified certification organizations, and efforts to strengthen them should have priority. They can seek direct approval in the EU and the USA.

²² Council regulation (EC) no 1997/2006, of 19 December 2006.

Voice of an Organic Pioneer - Manon Haccius

'When I joined the bio-dynamic group (Demeter) in Germany as a young agricultural engineer in early 1987, the movement was already over 50 years old. In fact, it prided itself to be one of two 'cradles' of organic farming worldwide – the other being the Soil Association in Britain. The German bio-dynamic association had set up the first organic standards ever in the 1960s (Demeter-Richtlinien); it was a co-founder of IFOAM in the early 70s and it was a member of the German basic standards working group. After a thorough reading of the available bio-dynamic literature, written by farmers, advisors, and scientists, I soon became engaged in activities that were to keep me busy for more than a decade:

- the revision of the IFOAM Basic Standards by its Technical Committee
- the revision of the German 'Rahmenrichtlinien', i.e. Basic Standards, which led to founding the organic umbrella organization AGÖL in the summer of 1988, of which I became the coordinator until spring 2000
- the evaluation of organic associations worldwide by members of the IFOAM Technical Committee, which led to an independent IFOAM accreditation service and was an important pillar of the German umbrella organization AGÖL
- the formulation of the first set of international Demeter Standards and a revision of the German Demeter Standards
- the formulation of the first set of basic German organic processing standards together with colleagues from the BNN (group of organic processors), published in 1992 and – most important of all –
- the process of giving input to the formulation of a European law that in June 1991 was passed by the European Council as EU-Regulation No. 2092/91 on organic farming; helping to formulate interpretations of this law and its additions and revisions; coordinating the lobbying activities on this law in Germany; and giving input to the IFOAM EU Group, which became the voice of the organic sector in Europe for the Commission in Brussels.

'From 1989, organic farming was substantially supported with EU money, and in the 1990s I witnessed an impressive increase in numbers and market share of organic farmers and experienced the change of organic farming from a ridiculed niche to being accepted as an alternative to overproduction and environmental pollution from conventional farming.

'As the coordinator of the German organic umbrella AGÖL in the 1990s I felt in the center of organic and the breathtaking changes that came along with the sector becoming a state supported, regulated and officially accepted form of farming. I had the privilege of voicing 'the' organic position in Germany, to the agricultural ministry as well as the general public.

'My main learning experience during those years was how much a small group with a purpose and devotion can achieve when they work in true cooperation. I enjoyed the international work immensely. I saw how much a law shapes the social reality of a sector, much more so than the private rules and agreements had done before. And I also experienced how difficult it can be to voice a clear opinion when personal or group interests in the movement begin to dominate the common cause. After 13 years in the non-commercial and NGO-sector of organic farming in Germany, I decided it was time for a change and joined one of the larger organic trade businesses in Germany.'

Domestic regulation for the domestic market

Confusion in the marketplace caused by a variety of approaches in different standards (e.g. the USA) can provoke the demand for consistency through a domestic organic regulation. Some believe that consumers will not trust organic products unless the government has established standards and a mandatory certification system (e.g. China, Serbia). However there is little empirical evidence for this assumption²³. From the case studies it is hard to reach any conclusions about the merits of a mandatory regulation for domestic market development. Compulsory use of a common logo linked to a regulation (EU) has been criticized by the organic sector in countries that have a national logo with high recognition. Nevertheless, it sounds plausible that in a situation with real market confusion and widespread fraud, in countries with a general high confidence in government, a domestic market regulation might be of some use. Still, there are examples of countries with regulations in place for ten years where there is consumer skepticism about the reliability of organic products and where there is fraud. In countries with widespread skepticism towards government, sometimes for historical or cultural reasons, one might even see some negative reactions to a governmental regulation.

Alternatives to mandatory organic regulations

There are several regulatory options to protect the consumers and organic producers from false marketing claims. Most countries already have regulations regarding truthful labeling and prevention of consumer deception. Such rules can also be applied to organic claims. Since both Codex Alimentarius and IFOAM international standards are available it is quite simple to clarify that in order for a product to be sold as 'organic' it has to be produced according to internationally recognized standards. Another option is to use a regulation to back a voluntary national standard (private or public). Such a regulatory solution can either include requirements for certification or other conformity assessment methods, or leave that open. This option also is trade friendly and will allow imports with a minimum of official procedure.

Assisting the producers to comply with the requirements

In the case studies of the Philippines, Southeast Brazil, Thailand, and Uganda it is emphasized that ensuring proper understanding and assistance in implementation to low-resource farmers is likely to contribute to a more credible organic market, since many of the violations of organic standards emanate from misunderstandings or lack of information. Simple 'instructions' should be developed by government or NGOs where the organic 'dos and don'ts' are presented in a way that is accessible for small-scale, often illiterate, producers, e.g. in pictorial form. This also speaks in favor of participatory systems for quality assurance. In the Philippines, the documentation system and ICS trainings have undergone several simplifications, with modifications in language and presentation to suit the particular culture and literacy levels. However, the responsible government agencies at this stage have not yet understood the importance of this measure.

Market surveillance – whose responsibility?

Assuming that the main reason to regulate the organic sector is to reduce marketplace fraud and the misuse of organic claims by non-organic producers, it is remarkable that most organic

23 Rundgren G (2007). Best Practices for Organic Policy - what developing country governments can do to promote the organic sector (UNCTAD/DITC/TED/2007/3).

regulations are not clear about the responsibility for market surveillance. In most countries the main resources are allocated to check the organic farmers and the certifiers, with very little resources to check the marketplace. Market knowledge rests mainly in the sector itself, and organic actors will in most cases be the first to detect false claims. A well-organized sector organization, including retailers and education institutions, can play a big role in market surveillance.

Setting the objectives – agreeing on the problems

When governments and the organic sector embark on regulatory initiatives, they should carefully assess the situation to see what added value a regulation can bring. It is important that there are common objectives agreed upon and that there is a joint analysis of what the main problems are and to what extent these problems can be solved by regulations or by other means. Access to export markets most often is not achieved just by making a regulation. There is often the perception that there is a lot of fraud or false organic products being sold, but the question is whether this perception is rather a result of lack of cooperation and transparency in the sector. It is obviously an illusion that fraud will disappear just because there is a regulation in place. It is important that the impact of the regulation on all organic stakeholders is assessed, and that all stakeholders participate in the consultations.

Conclusions

Certification is a strong market tool that serves to build trust in organic agriculture and products. One organic standard that is applied by all organic producers, certified or not, helps to build energy and joint activities in the sector. Stakeholder involvement is critical in standard development, especially in the early stage. Through cooperation and compromise among actors a strong foundation for the organic sector is built. Third-party certification is by far the most common, but there is a growing interest, especially among small-scale, resource-poor farmers, in alternatives like PGS. It is important that governments not inhibit this development, as formal certification may not be what is demanded in the domestic market.

The initial standard should be developed with local market development in mind. It should be relatively easily applied by producers and verified by certification bodies or by other mechanisms. A locally based certification body often plays a big role in the local development of the sector and the formulation of locally adapted standards. Some of the advantages are better knowledge of conditions, lower costs for the producers, and greater solidarity and understanding between the producers and the certifiers, thereby reducing the risk of fraud.

The introduction of an organic regulation means an official recognition of organic that will strengthen the sector and make it visible and credible in both the public and private sectors. However, a mandatory regulation is hardly the only way for a government to accomplish this. Key actions and stakeholders in three development stages

Regulatory framework

Budding stage	<ul style="list-style-type: none"> - Government to train its staff to ensure they have a proper understanding of organic regulations. - Government to participate as a stakeholder in any sector initiatives regarding standards and certification development. - Government to ensure that organic is not harmed by regulations, e.g. mandatory seed treatments, mandatory spraying programs, or mandatory fumigation. - The sector organizations should not prematurely call for organic regulations.
From marginal to promising alternative	<ul style="list-style-type: none"> - Government to participate as a stakeholder in any sector-led initiatives regarding standards and certification development. - If useful for export, government should consider a system to support the sector for acceptance of their exports in other countries, e.g. by a voluntary export certification program - Government to participate in international standard-setting processes such as Codex Alimentarius. - The sector organizations should analyze carefully the advantages and disadvantages of any organic regulation for all organic stakeholders, and if calling for regulation, ensure that any regulation is kept simple and is not exclusionary in reality.
Mainstreaming stage	<ul style="list-style-type: none"> - Government to regulate the organic market if the sector organizations think it is useful, otherwise not. - If regulating, government should consider using a simple regulatory framework, leaving most details and implementation to sector bodies. - Sector bodies to participate actively in any regulatory development, ensuring that regulations are practical and contribute to the development and expansion of the sector.

Main recommendations

Main recommendations	Main responsible actors (In alphabetical order)
11. A national or regional standard for organic production should be developed through close cooperation between the stakeholders of the private sector and government. It should be well adapted to the conditions in the country and focus mainly on the domestic market.	<ul style="list-style-type: none"> * Development NGOs * Farmers' organizations. * Government * Private sector org/alliance
12. National standards that also are supposed to apply to imports should reference Codex and IFOAM standards as a basis for import acceptance.	<ul style="list-style-type: none"> * Development NGOs * Government * Private sector org/alliance
13. If the standards are private, the government should participate as an important stakeholder. Where government supports the development of a domestic organic standard, it is recommended that initially such a standard be voluntary.	<ul style="list-style-type: none"> * Development NGOs * Government * Private sector org/alliance

3. BUILDING SUSTAINABLE ORGANIC SECTORS

<p>14. Governments should facilitate the access to certification services, either by stimulating foreign certification bodies to open local offices or by supporting the development of local service providers. In some countries, especially where the private sector is weak, the government could consider establishing a governmental certification service.</p>	<ul style="list-style-type: none"> * Certification bodies * Government
<p>15. Compulsory third-party certification should be avoided, as it will not enable other alternatives to emerge.</p>	<ul style="list-style-type: none"> * Development NGOs * Government * Private sector org/alliance
<p>16. Other conformity assessment procedures, such as group certification and participatory guarantee systems, should be explored. Training programs for farmer groups to set up such control systems should be supported.</p>	<ul style="list-style-type: none"> * Consumers org. * Development NGO's * Farmers' organizations
<p>17. Producers should be supported to comply with standards, certification procedures, and regulations. Special considerations should be taken for certification of smallholders.</p>	<ul style="list-style-type: none"> * Development NGO's * Farmers' organizations
<p>18. In the early stage of development, a mandatory organic regulation is not likely to be a priority. Mandatory regulations should be considered only when the need is clearly established and other simpler options have been ruled out.</p>	<ul style="list-style-type: none"> * Development NGO's * Government * Private sector alliance
<p>19. Regulations for domestic markets should be based on local conditions, and not mainly on the conditions in export markets.</p>	<ul style="list-style-type: none"> * Development NGO's * Government * Private sector alliance
<p>20. Before establishing regulations, the government should clarify the objectives. Governments regulating the sector should develop the regulations in close consultation with the sector and ensure that the regulation is enabling rather than controlling in nature.</p>	<ul style="list-style-type: none"> * Farmers' organizations * Government * Private sector alliance
<p>21. Stakeholder cooperation is essential for efficient elaboration and use of a common standard and label.</p>	<ul style="list-style-type: none"> * Development NGOs * Private sector org/alliance

3.4 Agriculture policy and government involvement

Organic policy development in the early stage

Success factors

- A highly motivated organic sector that built effective alliances between the organic sector and other environmental, conservation, sustainable agriculture and consumer organizations was a major strength.
- Self-organized stakeholder cooperation in strong networks or a national organization with common goals and approaches gave the organic sector good opportunities to work with agriculture policymaking and lobbying.
- To be part of IFOAM strengthened the organic sector in agricultural policymaking and lobbying.
- National targets and strategic plans were strong tools for organic development, and proved most efficient when they become a part of the main agricultural policy.
- Involvement of all relevant stakeholders in the elaboration of national plans was important for efficient use of public resources.
- The presence of other national goals or initiatives working for organic resulted in recognition of organic agriculture, making politicians and market actors take roles and responsibility in organic development.
- A government payment for organic production efficiently led to conversion, but conversion was successful only if there was a market for the products.
- A few international institutions, e.g. FAO, played a supportive role in some countries' organic agriculture policy development.

Obstacles

- Lack of coordination and cooperation and lack of support by the national or state government were major limiting factors.
- Involvement of the organic practitioners at the policy level was limited, or important decisions were taken without consultation with the organic actors, so that government plans for organic had less relevance, and even good initiatives failed.
- Resistance by government agencies and agri-business with an interest in the expansion of other agricultural concepts hampered the expansion of organic.
- In developing countries it was sometimes a problem that organic farming was confused with traditional farming.
- Government policies that favored conventional farming had a negative impact on the organic sector. Support for agribusiness in general and more specifically for GMOs, will inevitably lead to further GMO contamination, thereby endangering organic development in many places.

Little government involvement in the early stage

With a few exceptions, organic agriculture has grown through the sector's own efforts, with governments playing very little or no role in the early development process. Government involvement through policy and support to organic agriculture has mostly been a later step. An exception is China, where the first organized initiatives were taken by a state institution, NIES. In some cases, governmental policies that clearly were detrimental to the sector were the kindling that ignited organic initiatives (e.g. Southeast Brazil, Thailand). In some countries the

government took a relatively early interest in the sector, e.g. in Sweden by the late 1980s. In others, e.g. USA, there is still very little government support regarding both policies and funding, and the organic sector remains market-driven. Where there is positive government support for organic agriculture, dialogue and collaboration between the organic sector and government and policy and lobbying work done by the organic agriculture organizations have been crucial.

In some OECD countries, mainly in Europe, 'environmental payments' in various forms, mainly as area payments, have been an important factor. This in particular has had a large impact in areas where agriculture is extensive. In many EU countries the proportion of organic farming reaches or exceeds 50% in some regions with extensive farming, while remaining just a few percent in more intensively farmed regions. Many countries have developed a substantial organic sector even if organic has been disregarded by the government. This appears to be more articulated in countries with more 'liberalized' farm sectors, since organic development is not as dependent on active government endorsement as it is in countries where government is a strong actor. For example, Uganda has one of the largest organic sectors in Africa, with an estimated annual growth of 60%, despite an 'apparent policy vacuum'²⁴, and in Kenya the environment of free enterprise since the early 1990s created favorable conditions for development²⁵.

In Southeast Brazil and Uganda as well as Italy and Sweden, organic policy development was spearheaded by the private sector. This is not always the case, however. For example, in the Philippines, Serbia, and Thailand, where organic organizations have not been involved, the programs and actions either have been inefficient or have failed to recognize important development issues.

Organic in general agricultural policies

Policies discriminating against organic

Most governments have approached organic as an interesting market niche (e.g. China), and have not considered that it could play a role in overall agricultural development. On the contrary, many examples can be found where general government agricultural policies in different ways discriminate against organic agriculture. The successes achieved in gaining government financial support for organic are overshadowed by the size of the national budget to support GMOs and farm subsidies based on conventional practices. National support for GMOs in the Philippines, Southeast Brazil, Thailand, and the USA pose a threat to organic development. Subsidized chemical fertilizers, pesticides, and hybrid seeds strongly influence farmers' options and choices (e.g. Brazil, China, Thailand, Uganda) and are sometimes even set up so that organic farms in effect subsidize their conventional colleagues.

Official as well as agro-industry rural extension services, credit, and research are still commonly biased towards conventional agriculture, exerting a strong pressure on farmers. In more indirect forms organic is influenced by issues such as land tenure and splitting of holdings. Organic

24 Tumushabe, Godber W, Ronald Naluwairo, Onesmus Mugenyi, The status of organic agriculture, production and trade in Uganda, February 2006, www.unep-unctad.org/cbtf

25 Kimemia, Cecilia, Eric Oyare, The Status of Organic Agriculture, Production and Trade in Kenya, Jan 2006, www.unep-unctad.org/cbtf

farming represents a major investment in the farmed land, and it is not likely to be of interest for farmers that are squatting or otherwise have less secure tenure. In the Philippines an obstacle to conversion is the large proportion of smallholders who lease their land from landowners who see conventional cash crop production as most profitable.

Policies that favor organic

The opposite situation appears in countries that have general policies addressing issues of relevance for organic, such as reduction of pesticides (e.g. Sweden), protection of environment, soil and biodiversity (e.g. China), development of small-scale farms (e.g. Brazil, Costa Rica, South Africa), or decreased dependence on imported fertilizers (e.g. Thailand). When organic is clearly linked to such general policies or goals, it appears to be easier for it to get direct policy support. In Uganda the organic policy under development will be a separate policy but rooted in the main agricultural policy, the Plan for Modernization of Agriculture. In Sweden the national government's support for organic agriculture is more solid since it became linked to the 16 national environmental targets.

If the purpose is to promote large-scale adoption of organic agriculture, the general agricultural policies need to be assessed as to what extent they are encouraging, neutral, or biased against organic agriculture. The most conducive policy framework is obtained when organic agriculture is recognized and integrated into the main policies of the country, e.g. agricultural policy, food and health policies, environmental policies, and poverty eradication policies. Thus organic will be considered in main programs and in budget allocations. However, when such integration is accomplished, one consistent organic policy will ensure that all the needs of the sector are properly addressed.

Diverse motives for a governmental organic policy

The reasons for governments to support organic agriculture vary and are often a mix of aims. One example is Thailand, where a 5-year program has been launched to reduce import of agro-chemicals by 50% as well as to boost organic exports by 100% annually. Various supports and intervention mechanism have been introduced, including seminars, training, general promotion, and setting up organic fertilizer factories.

Income generation through exports is in some cases the main governmental strategy for support. In Uganda during the past few years organic farming has attracted increased attention from the national government as an interesting export market option, but also as a low-cost, environmentally friendly farming system accessible to small-scale farmers. In China, the government has recognized the economic and ecological benefits of organic food and invested in several successful export-oriented enterprises with detailed rules for subsidies to agricultural products, including organic foods.

Environmental protection, animal welfare, and rural development are the underlying strategies for the organic support programs of the EU, which offer many possibilities for member countries to support their organic sectors in different ways. In 1999 the EU recognized organic farming as a part of its strategy on environmental integration and sustainable development in the Common Agriculture Policy (CAP). Depending on national policies and to different extents,

the EU programs have supported the growth of organic agriculture, and organic agriculture covered 3.9% of farmland in 2005²⁶. The strong increase of organic agriculture in some EU countries during the late 1990s (Italy, Sweden) was broadly driven by these programs. The Turkish government is operating under the same scheme and is supporting organic farmers through area payments, for example.

In several countries the reasons to support organic agriculture are vague, which can lead to misunderstanding and frustration among those responsible and in the sector itself. It is worthwhile to clarify explicitly what an organic policy is supposed to achieve, both for the private sector and for the government itself. Is it to boost export markets? Is it to protect the environment, such as water, biodiversity and soil? Is it to strengthen the competitiveness of smallholders and develop the local market? Obviously the appropriate policy measures will be different for different goals. Different stakeholders obviously will have different objectives, and it is important to reconcile these as much as possible.

Models of government support

National promotional campaigns, often linked to a national target, are usually composed of several areas for support. They commonly include funds to support the implementation and enforcement of a national standard, to reduce farmers' cost of certification, for research and extension programs (e.g. Serbia, the USA), and to develop the market and inform the public about the effects and qualities of organic food. In Italy in 2000, under the Green Minister of Agriculture, a national target was set: '10 % of all agricultural land converted to organic by 2005'. A promotional campaign was launched for organic products in 2001 with a budget of about 7.25 million € and financed by a new 2% tax on synthetic pesticides.

There are other incentives that also can have economic and practical importance for the farmers and their choice to convert to organic. In Turkey a reduced credit rate for entrepreneurs in the organic sector has been made available by the Agriculture Bank of Turkey since 2004. Similarly, when the US Congress in 2002 recognized organic as a good agricultural practice, it opened access to crop insurance and agricultural disaster programs that previously had been closed to organic farmers. In Sweden, lobbying is going on to use the state income from the VAT on organic food to finance measures for market development and promotion.

Positive experiences where involvement of local or regional governments and authorities with the organic sector leads to constructive and relevant development are reported from e.g. Brazil, Italy, Sweden and the USA.

Other policy initiatives

There are many examples where FAO, UNDP, UNEP, UNCTAD, the World Bank and other international institutions play a supportive role in organic agriculture policy development. Organic agriculture has then been either one of the main focus areas or a side theme as a tool to support nature conservation, rural development, and sustainable use of land and other

²⁶ IFOAM, FiBL and SÖL. 2007. The World of Organic Agriculture. Statistics and emerging trends.

natural resources. FAO has supported many events to bring together the stakeholders of organic agriculture in order to develop a strong network and capacity building of the actors (e.g. Thailand, Turkey).

Churches are known around the world to support and work together with promoters of organic agriculture. The positive human and social development that organic agriculture can contribute is recognized by many religious leaders to be in accordance with their religious faiths (Latin America and the Philippines). For example, in Thailand the Santi Asoke, a Buddhist sect, has long been promoting 'non-toxic' farming, a farming system that does not use chemical fertilizers and pesticides. They have a strong influence on organic production, especially at the extension level.

The Philippines: The Bishop supports organic

Bishop Ramon Villena in Nueva Vizcaya, Luzon, gave a clear mandate to priests to promote sustainable agriculture and to be involved with NGOs promoting organic. According to the bishop, a priority for the Church is to conduct activities to empower the poor to be part of decision-making: 'The Church, which has an unselfish interest in the well-being of the people, especially in the marginalized poor, must show positive alternatives like sustainable agriculture'. Health aspects have become central, and now the Church prescribes healthy food = organic food as part of salvation.

There are several concrete promotional actions. The parish opened up the Saint Louis school to a market for organic farmers to sell their products and to serve organic food at school meals and at church gatherings. This is to set an example and promote a healthy lifestyle. The weekly radio program organized by Father Vic is a powerful tool for advocacy with information and arguments on various important issues, such as sustainable agriculture and GMOs. An ecological island managed by the parish is a holistic and long-term educational opportunity for young people/students to learn the basics of agriculture and ecology¹.

¹ Taguiwalo, J.M, Källander, I. 2006. Evaluation of Masipag's advocacy work 2002-2005. Philippines

Components of a policy favorable to organic agriculture

Towards a policy for sustainable agriculture

There are two main ways to encourage change towards more sustainable agricultural production systems. One is to provide subsidies, grants, credit or low-interest loans to sustainable models such as organic agriculture; the other is internalization of costs, i.e. removal of subsidies and other interventions that currently work against sustainability. Either of these would have the effect of removing distortions and making the sustainable, low-input options more competitive, at least for domestic trade. Policy reform is underway in many countries, with some initiatives supporting a more sustainable agriculture, including organic farming. Only a few of these initiatives, however, represent coherent plans and processes that clearly demonstrate the value of integrating policy goals.

Organic farmers' organizations and NGOs worldwide have identified some important steps for change towards sustainability in agriculture:

- Phasing out subsidies that encourage natural resource degradation or depletion
- Elimination of agricultural support programs that create commodity surpluses and lower global commodity prices
- Reform of national economic indicators of the agricultural sector to reflect depletion and degradation of natural resources
- Increase of public funding for research on sustainable and organic agriculture
- Bans or restrictions on hazardous chemicals and practices

Counting the costs

Farmers are surrounded by numerous rules, schemes and other economic situations that influence the decisions and results of farm production. Farmers respond 'rationally' to the conditions – and changes of conditions – that they work under, including the policy environment. Most of the policy measures used to support agriculture discourage sustainable and organic farming, and conversion may seem impossible because of transitional costs, lack of knowledge of new production methods, lower yields, new risks, etc. These costs are mainly borne by the consumers in the premium organic market. But it is not realistic that the majority of consumers should be willing to compensate for the whole scope of policy failures by paying higher prices for organic products.

One of the reasons that organic products often require higher prices than non-organic is that food prices do not reflect the long-term costs of social and environmental degradation and resource depletion. The external costs of modern farming, such as soil erosion, health damage, and polluted ecosystems, are not incorporated into the costs of the individual farm's production. Distorting payment schemes giving farmers good economic incentives for producing particular commodities, such as key cereals, have discouraged mixed farming practices, replacing them with monoculture. Resource-degrading, polluting production systems are subsidized (costs are hidden or external) while more environmentally friendly and low-resource-use systems pay their full production cost (costs are internalized)²⁷.

Data collection – a resource for lobbying, planning, and evaluation

Data collection and distribution is an important tool for an organic sector to be able to operate in an efficient way. Information and statistics on the sector's activities (size and expansion of production and markets, policies, etc.), and active organizations are a major resource for strategy building. The information should include all organic farming, not only the certified part, but also the non-certified. Organic sector organizations are often the best suited to take care of this in the initial stages, while later on, the data might get included in official statistical surveys for trade, agriculture, etc.

²⁷ Pretty, J., Brett, C., Gee, D., Hine, R., Mason, C.F., Morison, J.I.L., Raven, H., Rayment, M., van der Bijl, G., 2000. An assessment of the total external costs of UK agriculture. *Agricultural Systems* 65 (2), 113–136.

National targets and action plans – a powerful tool

National targets and action plans have contributed to organic development in many countries. If an overall policy direction with clear objectives exists, the implementation of an organic action plan is a logical step. An action plan normally includes an assessment of the current situation, the needs and bottlenecks for organic development, and suggested measures for development²⁸. This model to stimulate the growth and development of organic production and consumption has become widespread. The best result of this kind of political involvement is obtained when there has been broad stakeholder involvement throughout the process. Consideration should also be given to the different abilities of stakeholders to participate in consultations. Gender aspects and the situation of indigenous people should also be considered.

National or regional action plans for organic food and farming have been developed in most EU member states (e.g. Austria, Czech Republic, Denmark, Finland, France, Germany, Netherlands, Norway, Sweden, regions of Ireland, Italy, Spain (Andalusia), and the four nations of the UK), with plans also under development in Slovenia and for the whole of Spain. These action plans are most efficient when they relate to goals or targets for organic development and are comprehensive, that is, they consist of a combination of specific measures including direct income support through the agro-environment/rural development programs; marketing and processing support; certification support, producer information initiatives (research, training, and advice); consumer education; and infrastructure support.

Of the ten country cases, only Italy and Sweden have formulated clear targets for their organic sectors. A number of other countries have set area targets, e.g. Germany has set as the official target that 20% of its land shall be organic by 2010, and the state of Sikkim in India has set as a target that 100% of its agriculture shall be organic. National targets have contributed to:

- recognition by the government of organic agriculture as good agricultural practice
- stakeholder cooperation in building strategies around common goals
- shared responsibility and division of roles among politicians, market actors, and organizations
- subtargets for organic production and consumption e.g. in the food industry and in municipalities and their public kitchens
- increased knowledge about organic farming
- positive attitudes towards organic agriculture in society in general

In June 2004 the European Commission released the European Action Plan for Organic Food and Farming. In this plan the Commission assesses the situation of organic farming and lays down the basis for policy development in the coming years. The plan will thus provide an overall strategic vision for the contribution of organic farming to the Common Agriculture Policy. The European-funded research project ORGAP gives scientific support for the implementation of the European Action Plan, and will assess its long-term and short-term effects. The work is being concretized through the elaboration of a toolbox for the implementation and evaluation of action plans. It will identify conflict areas between targets of European and national action

²⁸ Lampkin, Nic, Victor Gonzalvez, Jaques Wolfert, Otto Schmid, Overview about national Action plans for Organic Food and Farming, January 2004

plans, analyze the implementation processes and procedures, and make policy recommendation to the European Commission, national authorities, and other actors²⁹.

Sweden sets its third organic target and Action Plan

In Sweden the work with national targets and action plans has been very successful, leading to solid public support for more than a decade.

* The first expression of political recognition came in 1989. It consisted of a conversion grant to organic farmers and support for extension, certification, and to a small extent marketing. The first chair of organic agriculture was installed at the University of Agriculture of Uppsala, and three national advisors for coordination of extension were employed.

* In 1994, as a result of the '10% campaign' launched by the Organic Farmers' Association, the Swedish parliament took a unanimous decision to work for the first national target: '10% of the agriculture land should be managed organically by the year 2000'. The government adopted 'Action Plan 2000', extended on all levels since the new Swedish EU-membership made EU support programs available. The plan focused on the 'push principle' to achieve the target. By 2000 a little over 11% of agricultural land had been converted to organic.

* The next target, '20% organic agriculture in 2005', was decided in 2000 with a new Action Plan linked to it. This time the target contained differentiated subtargets for different production areas (dairy cows, pigs, poultry, laying hens, grasslands, legumes, cereals, sugar beets, fruits, and other crops). The reasons for the different targets were connected to the different expansion and competitiveness of these areas. The strategy was still to focus on conversion, even though increased support also was allocated to marketing.

* In 2005 the target was almost achieved, with just over 19% of land in organic agriculture. However, market development had not been as strong: only 6-7% of the land was certified organic. The support scheme was financed by the EU environmental program, which legitimized the fact that many organic fields and barns were receiving the support but not producing for the market. However, more and more stakeholders argued that the next target had to be more market-driven. The new target launched in 2006 therefore focused more strongly on pull: '20% certified organic production' and '25% organic consumption in public kitchens'. The new Action Plan 2010 is under elaboration through extensive stakeholder cooperation (2007).

Recent national initiatives are also reported from countries outside Europe. In Turkey a rural development program, prepared with the help of Europeaid, will provide opportunities to support organic agriculture development. In Uganda an organic policy, rooted in the main agricultural policy, the Plan for Modernization of Agriculture, is under development. The elaboration is done in a participatory process including all relevant stakeholders and government departments. In Brazil there are a few governmental initiatives to support the sector at the federal level, e.g. a program on agro-ecology that ensures credit, rural extension, and research for the sector. Although it has existed only in recent years, it represents progress. The Ministry of Environment also has different programs that support family farmers in order to produce in

²⁹ The project website www.orgap.org presents overall analysis of the EU Action Plan as well as of the national action plans.

a sustainable way. Many of the beneficiaries of such programs are organic farmers. An example of a recent action plan elaborated for the emerging organic sector of Bosnia and Herzegovina is presented under Tools, Annex 1.

Negative aspects have also been reported. In Thailand the National Agenda's Organic Agriculture is a new government program implemented in October 2005, but with little input or consultation with key stakeholders in the policy formulation process. In the Philippines, even though increased government interest in organic agriculture is seen as a step forward, the organic sector is experiencing a negative side of it. Executive Order 481 for the Promotion and Development of Organic Agriculture, issued in 2005, aimed to establish a broad organic agriculture program. However, the limited involvement of organic practitioners is a problem for the small farmers. The implementing rules and regulations fail e.g. to recognize the validity of farmers' groups doing their own internal guarantee systems. This will hamper the growth of the organic industry that is driven by the efforts of small farmers and NGOs who cannot afford third-party certification.

Brazilian government sets sights high for organic agriculture

Brazilian Minister of Agriculture Roberto Rodrigues announced in his keynote speech at Biofach America Latina in 2005 the establishment of a government seal guaranteeing the origin and quality of organic agricultural products, placing Brazil in a competitive position to access international markets. Rodrigues said that the government seal will help facilitate the identification of organic products that currently are certified by private standards. According to the Minister, organic agriculture in Brazil represents less than 3% of total agricultural production in the country. 'There is enormous room for growth [in the organic sector], and we intend to achieve 20% organic in next the five to six years, stimulated mainly by small producers,' Rodrigues affirmed¹.

¹ IFOAM (2005), Press Release Bonn, Germany, December 15th, 2005 from Biofach America Latina

Policy input from the organic sector

The early policy work done by the organic private sector organizations facilitated the elaboration of efficient strategies and created a foundation for the organic movement to participate and have an influence in these processes. This helped keep the sector united in the often difficult discussions on the details of the strategies and programs. The sector organizations often start their contacts with the government in a rather confrontational way, challenging most agricultural policies. While those challenges may be valid and called for, it is perhaps a better strategy first to emphasize the benefits of organic, and only later, when the sector has gained strength, to challenge mainstream agricultural policies.

An effective strategy was to influence and work with sympathetic political parties. In the case studies where there has been a continuous dialogue between the organic organizations and government institutions and between organic organizations and conventional farmers, it increased mutual understanding and knowledge and prevented energy-consuming conflicts between the official and private sectors. Often a national council of stakeholders was created to facilitate this kind of process. Without this kind of dialogue the organic sector will be less

successful and will develop slower. Coordination with international projects can open doors and bring new energy to the sector.

A weak and badly organized sector tends to go to the government to sort out its differences and also to ask the government to take responsibility for needed measures and actions. The case studies clearly show that a lot can be accomplished without any government support, and even in a political climate that is hostile to organic, it still can grow. Sector organizations should keep in mind that the more they do by themselves, the more control they also can have over the development of organic agriculture. For example, instead of asking the government to write an organic standard, the sector can do it itself. Instead of asking the government to organize an organic extension service, it can be organized by NGOs, farmer organizations, or commercial entities.

Conclusions

The motives for governments to support organic farming are often a mix of aims: to reduce import of agro-chemicals; income generation through exports; environmental protection; animal welfare; and rural development or low-cost, environmentally friendly farming accessible to small-scale farmers. National strategies or action plans are most effective when they relate to goals or targets for organic development and when they consist of a combination of specific measures, including direct income support through agro-environment/rural development programs; marketing and processing support; certification support, producer information initiatives (research, training and advice); consumer education, and infrastructure support. Often a national council of stakeholders was created to facilitate this kind of process. Without this kind of dialogue the organic sector will be less successful and development will be slower. There are other incentives that also can be important for the farmers, e.g. a reduced interest rate for entrepreneurs in the organic sector and access to crop insurance and agricultural disaster programs. Involvement of local or regional governments and authorities with the organic sector often leads to constructive and relevant development.

FAO, UNDP, UNEP, UNCTAD, the World Bank, churches, and other international institutions play a supportive role in organic agriculture policy development. There are two main ways to encourage change towards more sustainable agricultural production systems. One is to provide subsidies, grants, credit or low-interest loans to sustainable models such as organic agriculture; the other is internalization of costs, i.e. removal of subsidies and other interventions that currently work against sustainability. Information and statistics on the sector activities (size and expansion of production and the market, policies, etc) and active organizations are major resources for strategy-building.

Key actions and stakeholders in three development stages

Budding stage	<ul style="list-style-type: none"> - Government should train their staffs to understand the conditions for organic farming and should assign some clear responsibility for organic farming issues, e.g. in the ministry of agriculture. - Sector organizations should understand policy formation processes and identify strategic entry-points for organic in normal processes. - Sector organization should identify policies that discriminate against organic and ask for mitigation.
From marginal to promising alternative	<ul style="list-style-type: none"> - The sector should unify itself and speak to the government with one voice. - Government should analyze its policies to understand how they affect organic, and when organic is discriminated against the government should eliminate those biases. - Government and the sector should together develop organic policies and action plans. - Government should establish a national advisory body for organic, including sector representation and relevant agencies. - Government should develop carefully designed incentives/support programs for organic farming. - The sector should continuously collect data about the existence of organic farming and production to show its development. - The sector should emphasize the opportunities for organic to contribute to stated policy goals of the country
Mainstreaming stage	<ul style="list-style-type: none"> - Government should integrate organic into all mainstream policies. - Government should develop carefully designed incentives/support programs for organic farming. - The sector should develop its own scenarios and proposals for an alternative agriculture policy

Main recommendations and responsible actors

Main recommendations	Main responsible actors (In alphabetical order)
22. A country wanting to develop its organic sector needs to perform an in-depth integrated assessment of its general agricultural policies, programs, and plans, to understand how they affect the competitiveness and the conditions of the organic sector.	<ul style="list-style-type: none"> * Development NGOs * Government * Private sector alliance
23. The organic sector should to a large extent organize itself in a way that is efficient for it to drive the development and reach internal consensus instead of turning to governments to solve all problems.	<ul style="list-style-type: none"> * Development NGOs * Private sector alliance
24. General and organic agriculture policies should support each other to the extent possible to promote effective policy coherence, especially if organic agriculture is promoted as a mainstream solution.	<ul style="list-style-type: none"> * Development NGOs * Government * Private sector alliance
25. The objectives for government involvement in the development of the organic sector need to be clarified before actions are undertaken.	<ul style="list-style-type: none"> * Development NGOs * Government * Private sector alliance
26. All relevant stakeholders should be involved in policy development and development of plans and programs. Governments should recognize the diverse interests represented in the organic sector and ensure that all of them are considered properly as well as giving direct special attention to disadvantaged groups.	<ul style="list-style-type: none"> * Consumer org. * Development NGOs * Farmers' organizations * Government * Private sector alliance

27. The organic private sector organizations should seek a dialogue and the wide involvement of relevant government ministries, not only Agriculture and Trade, but also Health, Education, Environment, Conservation, etc.	* Consumer org. * Development NGOs * Farmers' organizations * Government * Private sector alliance
28. A permanent body should be established for consultations between the government and the private sector.	* Development NGOs * Government * Private sector alliance
29. A clear strategy/action plan for organic agriculture development should be elaborated, including visionary but realistic pedagogical and measurable targets, and indicators for organic agriculture to help stakeholders to focus their efforts. An action plan should be based on analysis of the whole sector, participatory consultations, a needs assessment, and proper sequencing of actions.	* Consumer org. * Development NGOs * Farmers' org. * Government * Private sector alliance * Research institutions
30. Data about organic production and markets need to be collected over the years, analyzed, and made available to the sector and policy makers.	* Development NGOs * Government * Private sector alliance * Research institutions.
31. There should be support to farmers converting to organic agriculture.	* Government
32. Governments should actively contribute to increasing awareness about organic agriculture on all levels.	* Government
33. A government that wants to develop an organic sector needs to support and encourage cooperation and coordination among important stakeholders in the food and agriculture sector.	* Government * Private sector organizations/alliance

3.5 Supporting structures: research, education, extension

Early development – lessons learned

Success factors

- Interested and creative farmers and farmers' organizations, sometimes together with NGOs, devoted extension workers and researchers, initiated the first capacity-building activities in organic agriculture.
- Some research institutes and universities provided education, information, and capacity building to the organic sector.
- Good cooperation in education and exchange of experience between farmers and extension workers in activities like courses, field days, and group extension was important.
- Research conducted in cooperation with organic farmers proved successful.
- Useful organic conversion programs were developed by local NGOs with a combination of participatory learning and market incentives.
- An existing diversified production system with low use of pesticides and chemical fertilizers, existing markets, and peer support (village, farmers' association, etc.) facilitated the conversion to organic farming.
- Because of growing general interest in organic, universities increasingly have become open to research relevant to organic agriculture.
- Earmarked money for research in organic agriculture was an important requisite.
- In some countries general rural development programs were beneficial for organic farmers' capacity building; in others, measures in national organic programs have contributed.

- Local extension agencies adopting organic methods were useful.
- Public resources for research and training were most effective when the organic sector was involved.

Obstacles

- Lack of education in rural areas, especially lack of knowledge of organic, was a basic problem.
- Without access to proper information and assistance to farmers, the conversion process had problems.
- In many places the extension service was not functional because of inappropriate technologies and learning methods.
- A number of different 'conversion problems' in the rest of the sector hampered its development, e.g. undeveloped logistics, low interest among key decision makers, and lack of belief in organic.
- Negative attitudes or a low degree of acceptance of the organic concept in universities, institutions, and agencies resulted in lack of higher education, few published scientific articles, and consequently insufficient provision of knowledge to the whole organic food chain. This could lead to negative propaganda.
- Lack of relevant research was often caused by insufficient resources allocated to organic research or by low participation from the organic stakeholders in prioritizing research projects.

Early capacity building based on farmers' experience and NGOs

Collecting, sharing and spreading organic know-how was the first urgent need among organic farmers and the first organized activity in the initial stages. Capacity building in most cases was driven by farmers and NGOs. Farmers were often the initiators and innovators, often guiding advisors and researchers in the beginning, and farmer-to-farmer exchange of experience was the first model for developing organic production methods. In the USA in the early period, farmer organizations provided education, information, and capacity building to the organic sector. In Southeast Brazil, NGOs and farmers conducted activities together, and farmers who trained to be advisors to other groups of farmers are part of a system that prevails today. Similarly, Masipag in the Philippines built partnerships between farmers and scientists for seed preservation and sustainable agriculture development with the farm and the farmer in focus. In Sweden the first educational activity was exchange of experience through field days and courses, often organized with interested scientists. These farmer-NGO-scientist educational and extension activities and partnerships have been a very effective way to develop know-how and technology, and remain a relevant and effective method in the 'mature organic sectors'.

In many countries, universities have played little or no role in early capacity building. Interested individual researchers rather than the university as an institution participated in building the organic movement together with farmers and NGOs. In some countries, however, research institutes or universities played an important role in supporting the early organic development. The biodynamic research institute of Järna in Sweden in the early 1950s, the Research Institute of Organic Agriculture (FiBL) in Switzerland in 1973, and the Witzenhausen campus of the University of Kassel in Germany in the 1970s are some examples. In China and Czechoslovakia, for example, it was in the university context that organic agriculture was initiated. All in all, the

linkages to and support from the research sector have been extremely valuable throughout the history of organic agriculture.

Projects that started at the grassroots level with a development approach and a focus on soil management and biodiversity would supposedly result in more sustainable development. However, such projects in general also develop a market approach to be a more effective way to attract farmers to the organic programs (e.g. Thailand). Where the market aspects are not developed, farmers remain dependent on external support (e.g. xxx).

Conversion to organic is knowledge intensive

Organic agriculture is knowledge intensive because it tackles big issues: environment and ecosystems, energy and climate, human and animal health and ethics, and rural development, including social and economic aspects. It embraces whole production systems and includes theoretical philosophies and ethics, practical management, marketing etc. in a holistic way. To build useful and relevant supporting structures on all levels, research and other capacity-building activities therefore require a systematic approach and new research methods.

Education on all levels is crucial for the development of organic agriculture, and effective and appropriate advice on methods and technology is one of the most important factors for the conversion process in a broad perspective. In many developing countries, the only education that children from farming communities get is primary school. The question is whether this education will address farming practices, and what image it will convey in that case. Even if there are examples of high schools that have introduced organic agriculture in their curricula, including literature and demonstration sites (e.g. Sweden), there is no indication that developing countries in this study have introduced organic farming in primary or secondary schools in a systematic way.

A mental conversion of the food and agriculture sector

Successful change to sustainable food production implies a fundamental change in visions and strategies on all levels and builds on the will and energy of many key actors and individuals. Their belief that organic is a positive contribution and has potential for general agricultural development is crucial. Key actors are people at the ministry level, politicians, researchers, extension service managers, university managers, agricultural school managers, food safety officers, consumer organizations, the media, etc. Adequate experience and science-based knowledge must underpin policies and strategies as well as extension of production technologies and communication with consumers.

Farmers' conversion to organic agriculture

Even if farmers are very important in the knowledge transfer process, they have to be supported and encouraged by extension, which in turn needs input from research on agronomic, marketing and health issues as well as instructional methods. Every part (production, extension service, research, and governmental support) must go hand-in-hand to enable expansion of organic agriculture in a country.

For a farmer, conversion to organic means a major shift in the farm's operation. Growing systems and the choice of crops, management techniques for pest control and nutrient supply, and animal husbandry may change completely. In addition, there are several factors that will impact the farmer's economic situation. More diverse production may require investment and increased labor. The yields may decrease in the beginning, especially if production was intense before conversion, and on top of that there will be no premium prices during the conversion period. Additionally, from the beginning there will be certification costs and new requirements for documentation and control.

Motives to convert to organic farming in Poland

In a Polish survey, organic farmers were interviewed on their reasons to converting to organic. The reasons were ranked as follows (figure in brackets indicate the value on a 5-point scale):

- Health concern (4.56)
- Desire to live in harmony with nature (4.44)
- Concern over food quality (4.38)
- Concern over soil fertility (4.3)
- Concern over agricultural development (3.83)
- Lower production costs (2.49)
- Higher prices (2.44)
- Encouragement from extension (2.33)
- Encouragement from other farmers (1.97)

Source: Ecology and Farming No 19, 1998

Often, however, the farmer's mental adoption of the organic agriculture concept is the main bottleneck. Conversion requires conviction and confidence that the organic production will be successful and benefit the farmer and his or her family. Therefore capacity-building activities must address the farmer's whole situation (economic, social, health etc). Contact with other farmers with similar experience is an excellent way to get the right motivation, mentorship, contacts, and networks. To facilitate exchange of experience, farmers, especially smallholders, therefore should be encouraged to join or create farmers' groups. Smallholders who use agrochemicals have big steps to take, including mentally. Here the difficulty in becoming organic depends on the local availability of organic fertilizers and the presence of alternatives for pest management. For commercial farmers, estates, and plantations, the change is far bigger.

Research relevant to organic development

Challenges in the surrounding world

Research has to relate to the current developments and situations of the surrounding world. In the globalization process there is mutual dependence, with each country's agricultural production and food consumption, including organic, influenced by and in turn influencing nature and societies in other parts of the world. There is also a parallel trend towards 'localization' of the food systems. Some important global and local trends that need to be considered in the planning

and prioritizing of research in organic agriculture are:

- The long-term productivity of the ecosystems and availability of fresh water is threatened by human exploitation, leading to soil degradation and loss of whole biotopes³⁰. Climatic changes will affect agriculture with more extreme temperatures, droughts, and rainfall^{31 32}.
- With increasing world population, for poor populations in the rural area who depend on agriculture for an income, food security is threatened by e.g. more resource- demanding consumption patterns, concentration of food companies, and subsidies and trade barriers causing low world market prices³³.
- With decreasing availability of fossil fuels and increasing oil prices, agriculture will face big challenges – and positive opportunities.
- Structural changes in agriculture, with bigger and fewer farms, have been an ongoing worldwide trend for several decades, but multifunctional production and alternative energy crops also are increasing.
- Several parallel consumer trends prevail, such as the search for low-price food, which puts pressures on farmers' incomes, but also a growing market for health and quality aspects of food and consequently increasing demand for organic food.

Research programs for priority and relevance

A research program that identifies the critical development areas and urgent needs is an important tool. It helps funders (government, foundations, enterprises, etc) prioritize among different projects and facilitates coordination of inputs. A research program also serves as a guide and inspiration for research institutions and individual researchers who are interested in organic agriculture and sustainable development of the food sector. A research program should point out urgent production problems that need to be solved, but also more complex issues implying changes in the whole food sector, from primary production to processing and marketing. At the same time it must be based on the internationally agreed-upon principles and international, national and local goals for organic farming.

For the highest relevance of research, a research program should involve all interested stakeholders. The elaboration of such a program should involve farmers, market actors, extension workers, processors, NGOs, government authorities, and others. The program should point out possibilities, and the work should contain mechanisms for evaluation and for distribution and application of research results.

30 WRI, UNDP, UNEP & World Bank, 2000. A Guide to World Resources 2000-2001. People and Ecosystems. The Fraying Web of life. Washington D.D., World Resource Institute.

31 IFPRI, 2000. Sustainable Food Security for All by 2020. Washington, D.C.

32 Parmesan, C. & Yohe, G., 2003. A globally coherent fingerprint of climate change impact across natural systems. Nature 421, (6818): 37-42.

33 FAO, 2004. State of the Food Insecurity in the World 2004. Rome.

Research coordination in CORE Organic

An example of research coordination is the European transnational partnership CORE Organic, where resources within research on organic food and farming are combined. The aim is to enhance the quality, relevance, and utilization of resources in European research on organic food and farming through coordination and collaboration. The project was initiated as part of the European Commission's ERA-NET Scheme, which intends to step up cooperation among national research activities. Under the auspices of CORE Organic, the open access archive Organic Eprints has been extended to function as the organic research archive for all partner countries¹.

¹ Available at www.coreorganic.org

It is vital for research on organic agriculture to maintain the same level of scientific quality as other research. However, the issues of organic agriculture are new and are not always established research areas. This makes it difficult to acquire funds and to qualify for scientific publications, and may be an obstacle for researchers, even when well merited, to realize organic projects. To date too many research resources have been spent on comparisons between organic and conventional farming. Even if comparisons are useful in political decisions, often they are made on the wrong premises, leading to inaccurate interpretations. It is doubtful whether a focus on comparisons supports a dynamic and necessary development of organic.

All the cases show that universities and research institutes worldwide are taking an increasing interest in organic agriculture research, experimentation, extension, and dissemination, often under the umbrella of sustainable agriculture programs. Motivated by the growing consumer trends and market shares or the potential for sustainable rural development, or both, public funds are increasingly being invested. Organic producers associations are mainly involved, either directly by getting and spending resources or indirectly as part of the decision process.

Structures and methods for appropriate extension

The structure of the extension service differs a lot from country to country. In many cases it is government supported, but there also are NGOs, private agencies, cooperative enterprises, etc providing training and extension. Public extension service offers advantages when it is well organized and available throughout the country for all farmers, if it offers adequate and competent advice in organic, and is adequately financed. However, general agricultural extension services are often ineffective because of inappropriate training methods that focus on classroom lecturing and top-down extension activities. Building new extension structures may be necessary if the existing extension structure does not fulfill the needs.

To build a new extension structure requires a well-developed plan and financing. An adequate agent for the extension service must be identified and future advisors/extension workers must be trained. A suitable agent for this kind of information can be the agricultural university, agricultural schools, regional agriculture offices or similar entities. There should be a common understanding of the reasons that this step is being taken, and the new extension service must be marketed to farmers. Among other things the extension service should organize outreach activities like farm training, field days, and dissemination of research results.

In some countries there are opportunities for privately managed extension services. These depend either on the possibilities of farmers paying for the service, or support from state finances or companies. An advantage of private initiatives is that they often become more efficient and can be an economical solution in the end. There also are many examples around the world of organic agriculture organizations/NGOs organizing advice to farmers. This especially occurs when no state support or interest exists, and is often the beginning of a more structured extension service. The advantage of this system is that the persons involved have a great interest in promoting and spreading organic farming in the country. This guarantees a high quality, go-ahead spirit and creativity in the organization. This starting point also offers a good base for future research activities and research fields. Important prerequisites for an NGO extension service are interest and competence in the organization, cooperation with other extension service organizations and universities, and state or international support.

It is increasingly common to find extension integrated into the commercial chain, i.e. extension workers being employed by a company that buys products from farmers. (e.g. China, Serbia, Turkey, Uganda). This extension has the advantages of good supervision of the staff and financing from the commercial activities. The extension work often maintains high quality since there is a direct link between the service and the quantity and quality of products. However, the extension work may be biased in favor of commercial cash crops, and may not embrace the whole farm perspective essential for organic farming.

Basic conditions in extension service

- The farmers' active participation and involvement in all extension activities are crucial. Activities where farmers can meet in a group together with the extension worker to discuss, exchange experiences and see new technologies used and ideas tested are an unbeatable learning situation. On-farm experimental plots for testing and demonstrating new technologies are recommended for inspiration and experience.
- The extension worker is a resource person rather than a teacher with a good overview and expertise based on research and field trials as well as other farmers' experience. His or her main role is to create and support learning processes rather than to deliver recipes or packaged solutions. The extension worker should have a good knowledge of organic farming and be up to date on certification and support schemes and requirements to be able to assist the farmer with technical know-how and an economic evaluation according to the farmer's individual situation.
- Extension has to be adapted to the dynamic development and holistic work of organic agriculture, where the theoretical background, certification issues, market and surrounding policies are integrated into the conversion and production aspects. Extension workers therefore need continuous further education, and international networks and experience in specific subjects are useful.
- Knowledge and practical experience as well as market and certification news must be spread as widely as possible, e.g. through newsletters for advisors/researchers and other resource persons. The Internet is becoming increasingly important for dissemination of important news and facts.

Voice of an Organic Pioneer - John W. Njoroge, director KIOF

'I have personally been involved in training in organic farming methods in the whole East Africa region. My training through the Kenya Institute of Organic Farming (KIOF) has been practical and 'hands on'. The course includes composting of crop residues and animal manures, various tilling methods that deepen the topsoil, use of green manures, soil erosion protection using the A- frame, agroforestry and fodder for livestock, mixed cropping systems and crop rotations for the organic farm, and many other organic farming techniques. I have personally enjoyed being involved and reaching out to so many farmers', extension workers, and youth in this region. As a result of KIOF's efforts there are now many organizations and networks that have been established by my former trainees to promote organic and other sustainable farming methods.

'In 1989 I attended the 7th International IFOAM conference in Ouagadougou, Burkina Faso, West Africa, where I gave a paper and made an exhibit on organic farming at KIOF. I was elected to the Third World Task Force of IFOAM and attended all Task Force and World Board meetings from 1992 to 1998. This enabled me to visit organic farmers in India, Iceland, Portugal, the USA, Germany, France, Holland, Costa Rica and Italy. I helped to set up IFOAM Africa groups and organic farming activities in Mauritius, Zimbabwe, Senegal, Ghana, Cameroon, Kenya, Uganda, Tanzania, Mali, Ethiopia and Egypt. I was directly involved in organizing all the Africa regional meetings up to 2002. I also was instrumental in getting many African organizations to join IFOAM, particularly the East African organizations. Kenya alone had over 15 members in 1998. I was the coordinator for the IFOAM Africa region from the inception until December 1999. I was responsible for the research and publication of the curriculum for training in organic farming for Africa and the translation of IFOAM Basic Standards into Kiswahili.

'While promoting organic farming in Africa, I have learned some lessons. There are many practices in traditional agriculture as it is practiced among most communities in Africa that are non-organic e.g. the slash and burn, overgrazing etc. However, there are several practices that would promote organic farming e.g. protection of plant species, herbal pesticides and medicines, and protection of water sources. For people to take up an idea and embrace it wholly they require time to learn and understand it. Organic farming was not well understood before the regionalization of IFOAM, the main promoters of this concept. Some official involvement of governments is necessary for the ideas of organic farming to become accepted by farmers. The European Organic Law and subsequent official enforcement of EuropGAP and other ecological policies have increased official awareness and adoption of organic farming. Marketing of organic products locally and access to international markets are very important in pulling the whole organic industry. The process of organic certification will, therefore, require support by both governments and donors.'

The importance of linkage between farmers-extension-research

Research is important for the whole development of organic agriculture. Extension work and its quality to a great extent build on research and experiments. But on the other hand, the basis for research is the experiences that extension workers have derived from their meetings with farmers. Thus farmers play a big role for researchers when prioritizing fields of research. The farmers and the advisors can be generators of creative and feasible research projects, communicating urgent research tasks to the researchers.

Collecting and documenting experiences and good examples from active organic farmers is a quick and efficient way to build extension with substantial information in the beginning. The

methods and ideas of farmers are inspirations for other farmers and a useful basis of information for extension activities and research projects.

Indigenous knowledge

Traditional or indigenous knowledge is the knowledge that people in a given community have developed over time, and can be found in any community. It is based on experience, tested over centuries of use and adapted to the local culture and environment. Indigenous knowledge is often contrasted with 'scientific', 'western' or 'modern' knowledge, developed by universities, institutions, or companies using a formal scientific approach. However, because indigenous knowledge is dynamic and changing over time it is sometimes difficult to decide whether a practice or technology is indeed indigenous or mixed with introduced knowledge. Often indigenous knowledge is effective but can be improved, and in reality there often is an overlap or a combination of both.

Traditional agriculture systems are holistic; local people face interrelated problems and attempt to solve them while viewing the farm or even the community as a whole. Culture and religion cannot be separated from technical knowledge and may influence how ready people are to adapt new techniques and practices. Avoiding risks rather than maximizing profit is another characteristic. Indigenous knowledge is the basis for self-sufficiency and self-determination, and is useful for several reasons. People are familiar with local practices and techniques, and they know how to handle and maintain them better than introduced knowledge. Indigenous knowledge draws on local resources and locally available skills and materials. This makes people less dependent on outside supplies that can be costly, scarce, or irregularly available.

Even if some traditional knowledge is naturally lost because techniques change or fall out of use, during the last decades development processes have accelerated this loss. There are obvious reasons to help communities maintain their indigenous knowledge in a living and dynamic interrelationship with the introduction of improved sustainable technologies and practices. Some measures to achieve this are to raise awareness about the value of local knowledge and to document and record its use through newsletters, videos, model farms, handicraft enterprises etc. The local people are central actors in these activities. Participatory approaches have the advantage that having been involved in the development and testing of the improved practices, local people are more likely to use and promote them successfully than if top-down approaches are used.

Conclusions

Education, extension, and research are the backbone of the development of organic agriculture and should be central in an organic development program. Conversion to organic is as much a mental conversion of the whole food sector and a matter of creating positive attitudes through adequate information. Extension to farmers and general information about organic must rely on scientific evidence and documented experience. A research program describing the most urgent research needs is a help in prioritizing research projects, and all relevant stakeholders should be involved in its elaboration. Extension can be organized by different agents as long as it is adequate, competent, and well financed. Farmers' active participation and involvement

are crucial in all capacity-building activities. A top-down approach does not fit organic farming, where farmers' innovations and creativity are central for development. A new approach has to be developed where dialogue, participation and exchange of experience inspire the farmers, and traditional knowledge has to be appreciated and integrated. Extension services need to consider all aspects of the farmer's situation from production to marketing to the economic and social situation. Cooperation and linkages among farmers, advisors, and scientists are important for relevance and effectiveness, and the farmers and the advisors can be generators of creative and feasible research projects.

Key actions and stakeholders in three development stages

Budding stage	<ul style="list-style-type: none"> - Farmers to cooperate in interest groups - Individual researchers (champions), students doing research, in cooperation with farmer-supporting NGO - Start shift to on-farm research and farmer priorities - Start capacity-building of the research sector, participatory approaches - Farmer exchange visits should be organized/supported NGO-run extension agents or private crop advice is probably most successful
From marginal to promising alternative	<ul style="list-style-type: none"> - Relevant forums for cooperation in research and development in organic should be established - A strong link should be established between farmers, extension and research. Government and sector organization to demand and facilitate this - More formal research projects/programs drawn up, joint projects between research institutes and NGOs - Longer-term research can be stimulated - Private/commercial extension services to be encouraged - Engagement of public extension, starting with comprehensive training, including practical work in the field - School gardens during primary and secondary education - Environment, health, nutrition introduced into the secondary school curriculum - Curriculum development in agricultural colleges and universities and in adult education - Specific organic colleges started
Mainstreaming stage	<ul style="list-style-type: none"> - The research institutes do comprehensive research on organic - Organic part of normal extension and education curriculum

Main recommendations and actors

Main recommendations	Main responsible actors (in alphabetical order)
34. Special research programs should be established for organic research, and the sector should be involved in setting priorities. Earmarked budgets for research in organic agriculture may be necessary to finance relevant research.	<ul style="list-style-type: none"> * Consumer organizations * Development NGOs * Extension service * Farmers' organizations * Government * Research institutions * Sector organizations

3. BUILDING SUSTAINABLE ORGANIC SECTORS

35. In the early stage, farmers' practical methods, ideas, and experience should be documented.	* Development NGOs * Extension service * Farmers' organizations
36. Participatory research in organic should be organized within the organic research program. It should integrate traditional knowledge (where relevant) and be based on the needs of the producers.	* Development NGOs * Extension service * Farmers' organizations * Research institutions
37. Extension services should be built so that they can support the whole situation on the farm, including production, certification, marketing, and economic and social issues.	* Development NGOs * Extension service * Farmers' organizations * Private sector alliance
38. Relevant extension methods should be made accessible to advisors, and a network of advisors in organic agriculture should be established.	* Development NGOs * Extension service * Farmers' organizations * Research institutions
39. A resource system should be created where advisors can be updated on findings from research and other knowledge sources.	* Development NGOs * Extension service * Research institutions
40. In developing countries, organization of smallholders in groups for improved extension, certification, and marketing should be facilitated.	* Development NGOs
41. Systems and methods for efficient exchange of experience among farmers and learning from practical examples should be developed.	* Development NGOs * Organizations * Research inst./org
42. Attention has to be given the 'mental conversion' of actors in the whole food chain and relevant and strategic information, education, and promotion should be elaborated to change negative attitudes.	* Development NGOs * Farmers' organizations * Private sector organizations/alliance
43. Improved indigenous knowledge should be promoted and applied through the extension service, farmer-centered extension, and other communication and educational approaches.	* Development NGOs * Farmers' organizations * Private sector organizations/alliance
44. Organic agriculture should be integrated into the curriculum of primary and secondary schools. Specialized institutions involved in training in organic agriculture should be supported. Higher education in organic agriculture should be developed.	* Agriculture schools and similar * Development NGOs * Farmers' organizations * Research institutions

3.6 Organization, structure and image of the organic sector

Development of the sector and stakeholder participation

Success factors

- Engaged and highly motivated farmers' groups and organizations and NGOs played a big role in building awareness among consumers and producers.
- It was a great strength to be able to give an image of a modern sector with interesting proposals and solutions for the future.
- The holistic design (environmental improvement, economic viability among farmers, and active participation of women) and the capacity to develop appropriate technologies for production, processing, sale and certification of ecological products were important for promotion, lobbying and market development.
- A well-organized organic sector with common goals and approaches, offering good examples, provided good opportunities to convey consistent and positive messages about organic and to give the sector a voice in all development areas.
- Active stakeholder involvement stimulated the current design of public policies to support organic agriculture.
- Organization of farmers in unions and cooperatives was essential for market development.
- The ability to build effective alliances with the growing number of consumers and with the environmental movement, and to communicate and interact with IFOAM, were major opportunities.

Obstacles

- Lack of financial resources for capacity building and outreach hampered the possibilities for the organizations to find qualified people engaged in the organic sector and the development of national platforms and strategic planning.
- Lack of experience in organic production, business and politics among the organic organizations was a problem, as well as lack of data, organization, coordination and cooperation.
- Where a national organization of the sector did not exist, development was slower.
- When the main actors were export companies or donors without an interest in supporting the organic sector organization, the sector remained weak.
- The image of organic agriculture as something backwards or less serious ('green fundamentalists' or 'hibernating hippies') was an obstacle to attracting new consumers and producers.
- Lack of support by government and low interest of the public in environmental issues in general were obstacles, especially if other similar agriculture concepts were more strongly promoted by authorities, researchers, and others.
- Limited involvement of the organic sector at the policy level resulted in irrelevant national programs.

From NGO and farmer-driven to stakeholder diversity

Even though the key stakeholders in the organic sector vary among countries, in most of the presented cases the early development of organic agriculture was initiated either by farmers' organizations and NGOs or by private companies, sometimes both. But subsequently, with the growth of both organic production and general interest in society, especially the food sector,

the diversity and range of stakeholders have also grown. The wide range of stakeholders is well described in the case of the USA, which has an 'old' and well-developed sector.

In many developing countries organic agriculture has been promoted by NGOs as an appropriate technology for small-scale farmers, emphasizing its low use of inputs, its independence from agri-business, and its care for natural resources rather than its market potential. Lately many NGOs have also initiated marketing initiatives, presumably to include economic sustainability in their strategies. However, Southeast Brazil is an exception, since marketing was an important original strategy of the organization.

During the early period it was common for organizations to take on many, or even all, of the development areas, providing e.g. extension, certification, marketing, and advocacy and lobbying. In most cases the persons and organizations have some areas of strength and other areas where they are weaker. During the dynamic growth of a sector there will normally be a shift of tasks and roles. In Sweden the early development was carried by a number of small organic grower groups, associations and cooperatives. In the mid 1980s the development was taken over by the Ecological Farmers' Association and by KRAV. Today there are many organizations specializing in different tasks, working individually and in alliances.

The diversity of organizations and individuals involved in the organic sector provides a vitality that has sustained and developed the sector. Participation of a wide range of stakeholders helps increase the sector's capacity and professionalism, but it also creates a complex sector where it is quite a challenge to maintain sufficient participation and communication concerning all the actions taken and positions of the organic sector. Basic organizations with different roles, or covering different regions, may find that the best model is to communicate in networks that are relevant for certain issues during a limited period of time.

Who are the 'organic stakeholders'?

A strategic move of the early Swedish organic movement was to invite the conventional farmers' organization LRF to become a member of the certification body, KRAV. LRF from then on had to take an interest in organic, which resulted in ever-increasing participation in organic activities. Despite the differences in attitudes and perceptions of agricultural development, this can be an effective way to reduce prejudice and misunderstandings from both sides, and pave the way for increased knowledge about organic among non-organic farmers – who are also the future organic farmers. The differences are recognized and seen as part of a 'constructive conflict'.

Generally speaking, every group, company, organization, institution, or individual who has an interest in or is actively involved in any aspect organic food and farming is a potential stakeholder. Maybe the conventional farmers organizations are not the first examples that one thinks of as organic stakeholders, but the above example shows both that it is strategic for the organic sector to be open-minded and inviting rather than closed or too selective, and also that the organic stakeholders vary in different countries and regions. It is important for the organic sector to have good information on active organizations to be able to coordinate and cooperate in actions.

Voice of an organic pioneer: Jenny May from New Zealand

'The concept of an organic sector in New Zealand has evolved over time and is now well established with stakeholders drawn from commercial agriculture, government, certifiers and NGOs such as the Soil and Health Association and the BD Farmers and Gardeners Association. There are now sector groups and a national coordinating body and a range of other bodies that are engaged in organic agriculture. These are all a long way from the tiny blimp that was organics when I first became involved in the 1970s. The organization that drew me into organics was the Soil Association (established in 1941 and famous for once drawing 3,000 people to a compost making demonstration in the Auckland Town Hall). They held monthly meetings with guest speakers who addressed a range of topical environmental and health issues and the forum was also a great way to meet like-minded people.

From this group of like-minded people a small team, which I was part of, emerged determined to help improve the world. In the early 1980s we took on the responsibility of the Soil Association and soon after began to develop New Zealand's first organic certification body (Biogro). At this time my partner and I began a commercial, organically focused market garden supplying the Auckland market and we became Bio-Gro Certified in 1984. The market garden experience ended in 1985 and we shifted our focus to teaching and promoting organics in various ways. My active role in the 'politics' of organics slowed through the 1990s. Biogro became a standalone business and it was time for new blood to take on the Soil Association activities.

In 1992 we began a consultancy company for the purpose of promoting organic agriculture around New Zealand and the Pacific Basin. Since that time we have been fortunate enough to engage in organic work in many countries around the Pacific as well as India, Vietnam and now in Laos. In 2000 we were engaged by the Soil and Health Association to develop an alternative certification for products marketed within NZ; this became known as 'Organic Farm NZ' and is now linked into the international framework of what have become described by the workshop of Alternative Certification in Torres 2003 and now by IFOAM as 'Participatory Guarantee Systems' (PGS).

Organic food is now commonplace; although there is still the odd person around who thinks organics is for 'hippies', most people at least have heard of organic products. Whereas the corporate interest in organics means that direction at the national level is largely export focused, the local market is being increasingly fulfilled by the groundswell of support for farmer markets, and local PGS certification has become an important mechanism for linking consumers and producers.'

Stakeholders in a 'mature' organic sector – case study USA, Annex 2

There are organizations of organic farmers, organic processors and handlers, retailers, consumers, and environmental activists. There are organizations that represent organic farmers, processors, handlers, and consumers. There are organizations that represent the organic certification agencies, both public and private. There are sustainable agriculture organizations with wide-ranging interests including rural development, family farms, reduced pesticide use, fair trade, organic, and more. There are conventional trade associations and farm organizations. There are scientific and research organizations and universities. There are organizations that want to change the government, society, or economic structures.

Strength in unity and national organization

Nine of the ten presented cases consider a fragmented and scattered organic sector a weakness. Without common goals and strategies the sector will lack coordination and cooperation in projects and activities and will not be able to make its voice heard. A national unifying umbrella organization or movement that links the stakeholders gives the sector strength and impact. For organic agriculture in Uganda the successful establishment of the National Organic Agricultural Movement of Uganda (NOGAMU) was a milestone, just as in Italy, where the national umbrella organization, FEDERBIO, finally represents the full diversity of the Italian organic movement. In the Philippines, there are ongoing efforts to consolidate and strengthen the sector by linking its stakeholders, and in Turkey the national movement Bugday already in 1991 served as a catalyst for organic activities. The Ecovida network in Southeast Brazil organizes 290 groups, associations or cooperatives, dozens of small processing and commercialization units of organic products, technicians, professionals, and support and partner organizations.

NOGAMU, Uganda, has members representing both processors/exporters and producers and a deliberate policy of ensuring farmer influence in the organization. This degree of coordination within the organic sector in Uganda has allowed the organic agriculture movement in Uganda to:

- * lobby as a body against use of DDT by the Ministry of Health
- * attend international trade fairs as a body, slowly carving out a solid reputation for Uganda in the international organic market
- * lobby government for a policy on organic agriculture
- * develop a training guide for the practice of organic agriculture in Uganda
- * develop organic standards
- * be involved in the setting up of UgoCert, Uganda's certifying body.

The challenges that lie in keeping a growing and diversified sector should not be underestimated, however. While close cooperation in networks can be extremely effective in lobbying, media contacts, etc., the differences among the stakeholders can also cause negative debates. There may be tensions, e.g. between those organizations that work exclusively with organic and those who have organic as only a small part of their business or activities. It could take a lot of compromise and diplomacy to come to an understanding such that the differences don't harm the outreach activities or threaten confidence in organic as a whole. From the USA there are a number of examples, e.g. the Harvey law suit, where organic groups have taken different positions and where the conflict has even reached mainstream media with headlines about how organic sold out to business etc. Regardless who is right and who is wrong, such attention poses a severe threat to the sector.

The wider the sector, the more diversified background, experiences and reasons to enter the organic scene will appear. This will inevitably lead to diverse perspectives and ways to understand the concept of organic agriculture. The stakeholders who get engaged will develop their own policies and strategies for successful growth, and they may not fit into a 'common ground concept'. There sometimes are big gaps between 'ideological promoters' and technical or commercial interests. Several of the cases express a concern about a loss of understanding

of organic as an agricultural production system and the special organic values, with organic becoming more and more market-driven and with market actors, often exporters, taking the lead in the development of organic. In a more mature organic sector, new models for cooperation and partnerships need to be developed. In the different stages of development it is important to involve and listen to young people in all parts of the sector.

Protest, meaning or market – a study on what makes organic agriculture move

There are many different actors with hopes and aspirations for the future of organic agriculture. They have different perspectives on organic and different understandings on what makes it move. In a recent Danish study the authors Alrøe and Noe point out three significant perspectives based on protest, meaning, and market that are described in the study:

* In the *protest* perspective, organic is an alternative to conventional and defined through its negation of conventional agriculture. The driving forces are aspects and developments of mainstream agriculture that are perceived as problems.

* In the *meaning* perspective, the positive identity of organic is better emphasized as a self-organizing system based on its own meaning (shared views and values, principles, goals, standards, and practices). It is not dependent on mainstream agriculture; rather, the driving forces are the internal processes and reproduction of meaning. A key challenge is how to grow and to mobilize new actors and technologies without losing the internal coherence, sense of direction, and integrity of principles and practice. Another is whether the inclusion of organic agriculture in global markets and agricultural policies will erode the principles and standards and conventionalize organic agriculture.

* In the *market* perspective organic is a set of market opportunities and networks; a market niche based on standards that specify the conditions for production, certification, etc. Driving forces are differentiation from other brands and consumer perceptions and preferences. Key challenges are overcoming barriers to trade and power relations in the globalized market, but also maintaining consumer trust and loyalty in a market environment where branding, the major factor for transparency, is a drawback for cost-efficiency.

In the study the authors claim that the three perspectives are complementary phenomena and that no perspective is the right one. But different perspectives cannot be merged into one. Communication directly across the different perspectives will be error-prone and uncertain, because the concerns and logic of one perspective cannot be translated directly into another perspective. The authors emphasize the need to acknowledge the heterogeneity of the organic sector when investigating the dynamics and growth of organic agriculture¹.

¹ Alrøe H.E., Noe E., 2006. What makes organic agriculture move – protest, meaning or market? A Polyocular approach to the dynamics and governance of organic agriculture. OrganicEprints:8084.

Advantages of regional and local organization

Even though national unification is important for the sound development of the organic sector, several of the cases also point out the importance of regional and local organization in cooperatives, partnerships, and networks. It is a successful strategy to create local markets with consumer-producer contacts, certification, and good extension models, and they are effective in spreading experiences to the larger networks. One model is the way the national organization NOGAMU in Uganda works with a designated partner organization in different localities, thereby spreading its influence nationwide. One success factor of organic agriculture in the USA

is the achievement of a strong unified movement with common goals, while maintaining strong regional organizations that provide organic advocacy, education and promotion, and build the capacity of the organic sector.

Elaborating policies and strategies

Cooperation for strategic decisions

The organic sector has played an important role in elaborating policies appropriate for the development of organic agriculture. In the countries that have the most developed organic sector (e.g. Southeast Brazil, Sweden, the USA) there has been close interaction between the organic organizations and the government in formulating programs and measures. The sector's knowledge of practical realities, possibilities, and bottlenecks has been considered an asset for relevance and efficiency in the allocation of resources. In younger organic sectors, the case of Uganda shows that interaction between the government and the most active stakeholders is favorable for good development. The opposite case, with little collaboration (e.g. Serbia, Thailand), leads to slow development or poor results.

Important strategic decisions by the organic sector in the early period basically concerned the attitude to the market and marketing models. These can differ, depending on the situation in the respective country. The organic NGOs of Thailand found that revolutionizing the strategies by incorporating a market incentive was effective, and in Southeast Brazil the success of the organic movement is a result of agriculture's connection to economic activities like processing, distribution, and marketing. To work with mainstream markets in setting up cooperative marketing organizations for each product group was an efficient strategy in Sweden. The Ecovida Network made another choice: when production grew and consumer interest increased, instead of leaving the street markets and going for larger markets and exports, the number of smaller local markets was increased. This proved to be positive for farmers' profits. On the other hand, when the local market does not yet exist, the successful strategy can be to start with the export market and from there go for domestic markets (e.g. Serbia, Turkey, Uganda).

Assess the capacity of the sector

The choice of cooperation partners is another strategic action. The organic organizations have much to gain in strengthening their capacity and impact through collaboration with environmental and animal protection groups, people's rights movements, consumer networks, market stakeholders, etc. It is equally important for the organic sector to 'pick its fights' to have the most impact. This means that when the sector is new and weak it is more likely to find success in focusing on the contribution organic can make to some specific goals instead of challenging the totality of policies when dealing with government, conventional farm organizations, research institutions, international organizations, development cooperation agencies, and the media. If the aim is to open doors for political and institutional contacts and support, presenting the positive opportunities of organic is a more winning strategy. For more dramatic messages and campaigns, e.g. against the use of pesticides, it is often better to build alliances with consumer organizations or environmental organizations and to feed facts to them, but letting them be the message bearers in outreach activities. Once the sector is strong and broadly recognized it can, of course, work in partnerships in another way.

Not all countries have a unified organic sector or movement; sometimes there even are apparent conflicts between organic groups. This obviously reduces the sector's own ability to work towards joint objectives, and hampers e.g. government initiatives to consult with the organic sector. The organization and efforts to unify the sector in goals and policies is first of all the sector's own responsibility. Italy is a good example of where a scattered movement recently decided to work together in a national umbrella organization with the aim to be better represented with one 'organic voice'.

The organic sector mostly consists of resource-poor organizations and NGOs, which can be a problem in the effectiveness and outreach of policy work. This is also reported in several of the cases. Even if the sector's work is appreciated, a government is not always willing to finance policy and lobbying work of organizations. The best example of a government consciously supporting policy development is Denmark, where the organic sector has received substantial contributions from the government.

Analytical strategy building for the sector

Efficient, target-oriented expansion and development lies in the elaboration of efficient and realistic strategies and use of resources, both human and financial. Strategy building is an art in which several components are equally important. Finding out who the main players are and their main interests and expertise, acquiring good knowledge and common understanding of the surrounding world, and analyzing the potentials and challenges for the increase of organic agriculture and food are components. A SWOT analysis can be helpful in this kind of strategic planning and systematic reflection to point out common problems, opportunities and the roles of different stakeholders.

To build an attractive organic sector - consider the image!

To understand the mechanisms of the development of a country's organic agriculture, the image of organic farming and the organic farmer that the organic sector itself projects can be of strategic importance. The way the sector sees its roles and missions will decide the nature of strategies that the stakeholders prioritize, and the reactions from the public and the farm establishment will depend on how they perceive organic farming and farmers. In Sweden the organic movement in the early 1990s decided to change the name from 'alternative' to 'ecological' to imply that organic is not to be seen as a niche, but as something developing on its own merits as a model for extensive conversion.

'Initial efforts to promote organic agriculture in Kenya were made by rural development NGOs, faith-based organizations, individuals and community-based organizations who sought to help rural farmers address the issues of declining agricultural productivity, high poverty levels, food insecurity and low incomes. Organic farming was seen as a low-costs approach to mitigate the above situations. This 'poor man' image of the organic sector, especially among NGOs, continues to this day and may have contributed to the low level of commercialization of the organic sector at the smallholder level.'¹

¹ Mutunga, Clive J Integrated Assessment and planning for organic agriculture in Kenya, Draft October 2006. To be published by the CBTF project. www.unep-unctad.org/cbtf

What image is conveyed?

The initial image of organic often was rather unattractive, as organic farmers were portrayed as ‘hippies’ (USA), just ‘alternative’ or in some cases even subversive elements. If organic is introduced in a country on large-scale commercial farms for exports, organic inevitably gets the image of being ‘capitalist’. In contrast, efforts to emphasize the relevance of organic for small-holders sometimes results in the image of being irrelevant for other farmers.

In developing countries where organic is mostly practiced by small-scale family farmers, traditional farming can still be a strong image, but the farmers do not see themselves as backwards; on the contrary, they are professionals who can improve the food security, health, and life quality of the family, and make more money in doing so. In addition, while organic surely builds on traditional farming, there is an inherent danger in emphasizing this too much, as it preserves a perception of organic as the farming of our grandparents.

Today, farmers’ organizations and NGOs working with farmers mostly want to promote a holistic picture combining organic with environmental and animal protection, sustainability, food security, health aspects, and rural development, including social and economic aspects. They want to give a picture of the organic farmer as a modern, innovative entrepreneur who develops appropriate technologies based on ecological principles and system management. These technologies can also very well benefit conventional colleagues who want to improve their farms in an environmentally friendly and sustainable direction. The economy of the organic farm is a vital part of the concept and merits of organic farming, on both the family and society level. The organic farmer is projected as the farmer of the future.

What do receivers of organic expect from it?

Governments often take an interest in organic agriculture because of environmental benefits such as protection of water and soil, biodiversity enhancement and reduction of pesticides, but also rural development and in some cases income generation and food security benefits (e.g. Uganda).

Traders, not the least export companies, and also sometimes governments, often see organic as a new commodity for growing their business with the export-import which has a booming market abroad (e.g. China, Southeast Brazil, Serbia, Thailand, Turkey, Uganda), but with some environmental and social benefits. Export activities are linked to the perception of modern commercial organic producers who have high production of a few products.

Consumers’ arguments for buying organic food are often linked to health aspects. Even if environmental and animal concerns are high in many places, food safety and personal health benefits predominate, even where health arguments were never used in promotional activities (e.g. Sweden).

The future for organic agriculture lies in fulfilling the expectations of these important stakeholders and in the end in maintaining the trust of the buyers, i.e. the private households and the public sector consumers. The greatest challenge for the organic sector is to keep a

balance between growth and integrity. It therefore is a major task of the organic sector to discuss how this can be done.

Conclusions

In the healthy development of an organic sector a wide range of relevant stakeholders are invited to cooperate and contribute. Not only those who were positive towards organic from the beginning can be valuable partners; it also is a winning concept to have a dialogue with conventional farmers’ organizations, authorities, market actors, etc. Strategic decisions can have great impact whether they come from individual organizations or a unified movement, but an ongoing analysis of the development mechanisms is vital. Unification on a national level creating common concepts and messages is a great strength, while the development of local organizations and activities also is an important life nerve of the organic movement and must be acknowledged as such. In a young organic sector a good strategy to win respect and allies is to focus on the positive contribution of organic and on common points of interest instead of criticizing the current policies of institutions and organizations.

When the sector grows it is not possible to keep all stakeholders together in one forum or organization, and a challenge then is to find new forms of communication. There are continuing bottlenecks to solve; the best possibility to do this is through participation of those who are concerned. How to keep the integrity of organic agriculture and at the same time allow growth and expansion is a major discussion issue for the organic sector.

Key actions and stakeholders in three development stages

Budding stage	<ul style="list-style-type: none"> - Create platforms for meeting, e.g. an annual event. Don't structure too early, keep it open, communications. - Link the different stakeholders (government, NGO, commercial actors) with each other - Seek regional and international contacts
From marginal to promising alternative	<ul style="list-style-type: none"> - Define what image of organic to portray vis-à-vis consumers (e.g. modern, healthy), producers (e.g. good for farm family, good for the environment, good for profits), food business (e.g. trendy, demanded by consumers, profitable) and government (an all-inclusive concept that is profitable and will contribute to stated national goals) - Get organized in one national organic movement; try to include all key stakeholders - Don't try to do everything, rather coordinate, delegate as much as possible among members - Organize the sector by developing alliances with like-minded organizations, e.g. environmental groups, consumer groups, sustainable development NGOs - Engage in regional and international (e.g. IFOAM) networks
Mainstreaming stage	<ul style="list-style-type: none"> - Create alliances with business networks and conventional farming organizations

Main recommendations and actors

Main recommendations	Main responsible actors (in alphabetical order)
45. The early development of organic in most cases is best carried out by the sector itself, with gradually increasing government support.	* Consumer groups * Farmers' organizations * Government * Private sector organizations
46. A national forum or organization for the key stakeholders should be encouraged and supported.	* Development NGOs/Donors * Government * Private sector alliance, organizations
47. Communication systems between stakeholders in the organic sector should be developed.	* Development NGOs/Donors * Government * Private sector alliance, organizations
48. The sector should carefully analyze what image it conveys of organic farming and organic farmers to ensure that this image supports its strategic objectives.	* Development NGOs * Private sector alliance, organizations
49. Strategic discussions and measures on a broad level for the development and expansion of organic agriculture should be encouraged.	* Development NGOs * Government * Private sector alliance, organizations

3.7 Reflections and conclusions

From the experiences drawn from the ten country cases and from many other places around the world, the authors have tried to analyze and describe the driving forces and to make recommendations regarding the development of markets, standards and certification, regulations, agricultural policy, supporting structures, and the organization of the sector. An outline of which actions can fit into which stage of development is also presented at the end of each development area together with the main recommendations.

However, this report is not a blueprint for development, but rather an input (hopefully qualified) to a process of development that has to be carried out by all the stakeholders in concert. In doing so, the stakeholders can build on the experiences in this report, but also use the tools and resources indicated in Annex 1. The authors are of the firm opinion that it is of great importance that all the relevant stakeholders be engaged in the analysis of the sector and in the planning and implementation of any development plan for organic agriculture.

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ANNEX 1: RESOURCES AND TOOLS TO BE UTILIZED

Tools

SWOT analysis



A SWOT analysis can be used as an analytical tool for assessing the status of the whole sector, part of the sector, or individual organizations or businesses.

SWOT Analysis is an effective method for identifying your Strengths and Weaknesses, and to examine the Opportunities and Threats you face.

A SWOT analysis consists of evaluating a sector's or an organization's strengths and weaknesses and its opportunities and threats. In the main text a SWOT analysis of a typical organic market in Africa is shown.

Below is an analysis of the organic sector in Bosnia and Herzegovina (2007).

Strengths	Weaknesses
<ul style="list-style-type: none"> • Strong organic NGO sector exists • Local, internationally recognized certification organization exists • Good network and cooperation within sector • Domestic and export markets exist 	<ul style="list-style-type: none"> • Farmers are not educated • Farmers are not well organized • Public awareness is low • Lack of organic inputs (seed, seedlings, manure...) in the market • Advisory service is undeveloped • Farmers are expecting that someone else will take care of everything - production, certification, marketing, etc.
Opportunities	Threats
<ul style="list-style-type: none"> • Organic market will continue to grow • Interest from governments and international donors to support organic production 	<ul style="list-style-type: none"> • Conventional producers are selling products as organic • Organic market will not develop as predicted • Government will pass rules for organic that are too complicated

NB: Strength and weaknesses are internal, i.e. things that you have some control over or can influence. Opportunities and threats are external and outside your direct control.

Based on the SWOT analysis, you go on to assess how you can capitalize on your strengths, how you can reduce the impact of weaknesses, how you can benefit from opportunities, and how you can mitigate threats.

The Rapid Organic Sector Appraisal (ROSA)

The Rapid Organic Sector Appraisal was developed by GroLink AB as a process to get a good overview of the sector and from that overview to develop proposals for strategies and action. The purpose of this methodology to provide guidance to the user on different ways and means

to rapidly gain an understanding of the operating conditions for agriculture, and in particular the challenges and opportunities for organic agriculture development in the country or region, to facilitate their respective planning purposes.

Objective

- The user and participants in the process gain insight about the conditions for agriculture and in particular the challenges and opportunities for organic agriculture development in the country/region in question.
- The user and participants in the process identify dominant factors and actors shaping the country/region situation, emerging trends (international and national), and implications (issues) for organic agriculture development.
- The user and participants qualify strength, weakness, opportunities, threats (SWOT) to facilitate their respective planning purposes and recommend interventions to be supported, implemented, or developed, in line with the analysis of the situation.
- The process results in the adoption of an outline of key areas and development interventions for further detailed project and implementation planning.

Process

The process involve 3 basic steps

1. Data collection, which can also be referred to as the picture-building phase
2. Clarification; assessment and formulation of recommendations
3. Adoption of recommendations for intervention (Development Plan outline)

Data collection / Picture building

There are three main considerations: the scope and extent of the data; the method or means used; and the choice of people to do it. While data can be collected through a desk review of existing papers, including a field survey or study, it is highly recommended that a workshop, consultation or conference be held to allow sector stakeholders the opportunity for direct input in the process.

- Desk review of existing data

An obvious start is to look for and review existing information for general background and statistical information on the agriculture industry in the country/region. A desk review also assists in identifying many of the stakeholders to be contacted in the process.

- Survey

Often data on the organic agriculture sector in emerging sectors is lacking. The gap can be filled with a field survey. The survey need not be an extensive statistical baseline exercise. It should, however, be able to identify what kind of organic agriculture-related activities have been happening in the country/region as well as who the key actors are in production, marketing, trade, extension, research, policymaking, and advocacy.

The survey should be done by an organization or person who is familiar with the country and subject, preferably one that has a professional service interest in the development of the organic sector, e.g. sector association or development consultancy service. At the same time the person

needs to be a bit neutral and not too strongly linked to an initiative (especially a commercial one).

- Call for conference papers

The need for further in-depth information, as well as analysis of development needs and options, can be addressed with a call for papers as well as invitations to selected organizations/persons to present their perspectives and input for further development at a meeting [workshop, consultation or conference]. Make sure all the necessary input required is covered. Provide a write-up and presentation guide to further ensure that presentations includes the input required.

- *Background and sector specific data to include*
- *General operating conditions for agriculture addressing issues particular for the situation, such as food security*
- *Problems and opportunities for agricultural development in general for the country*
- *Type of agricultural production in general and organic production in particular*
- *Size of farms and distribution in general and for organic agriculture*
- *Number of farmers and ratio to population in general and number of organic producers*
- *Markets (domestic and exports) and logistics in general and for organic agriculture*
- *Organic standard-setting activities, inspection and certification activities in country/region*
- *Farmers' income and household economy*
- *Training, education, extension and research in general and for organic agriculture*
- *Existing institutional structures (farmers' associations, trade associations, etc) and key institutions within the organic agriculture sector*
- *Image of the organic sector among stakeholders, including government*
- *Policies having an influence on organic agriculture*
- *Gender issues related to agriculture*

Clarification; assessment and formulation of recommendations

Information and input for the formulation of a sector development plan is recommended to be peer-reviewed in a workshop, consultation, or conference setting, where findings of the desk review, survey, and input papers can be presented for feedback and discussion.

Attention needs to be given to the organization of input presentation, participation and meeting logistics to make sure sufficient stakeholders are present and the setting is conducive to active discussion.

- Write-up, presentation guide, and background reader

Not everyone is good at presenting what he or she knows in a public forum. Providing a write-up and presentation guide is one way to assist in the presentation for everyone. Providing a background reader will also help to even out the information base of participants for discussion.

- Stakeholders participation

Stakeholder participation is the most critical factor for success. Efforts should be made to have a representative number reflecting all relevant components of the sector present, including

- Regulations and policy: government; policy and advocacy NGOs; consumer organizations
- Quality assurance: certification body representatives
- Market: exporters; importers; wholesalers; retailers
- Production: farmers' associations; cooperatives
- Supporting structures: advisory service providers; extension and research organizations
- Sector/movement organization: organic agriculture movement associations (NGOs)

- Panel review/Group work

A number of different arrangement can be used to facilitate peer review and feedback of information presented during a workshop, consultation or conference. One is through discussion panels, where panel members are requested to comment, raise issues, and draw implications for development from the input before the whole plenary.

To facilitate the panel discussion, background and input papers should be circulated to panel members prior to the meeting. The review panel can also be convened earlier to review the desk review, field survey, and the input papers in preparation for the meeting. Panel members should include a mix of prominent persons in production, trade, extension, research, and policy. They should be well briefed before taking up their tasks.

Another method is to have small group discussions on the input presented, and report the findings to the plenary. This offers a greater opportunity for wider participation from participants at the meeting. Having both a review panel as well as small group discussion as part of the process is recommended. An important exercise to be done in the small groups format is a SWOT analysis of the prevailing situation based on input presented. The SWOT should focus on organic as compared to conventional. SWOTs can also be made for segments such as organic markets and for the leading organization(s).

Group discussion guide

Group discussion where many participants may be meeting for the first time needs to be managed to prevent a likely loss of focus during discussions. Analyzing the whole sector in the amount of time available in a meeting session is likely to be a challenge that many will not be able to meet adequately. It is recommended that the sector analysis be divided in the following four or more separate sections as appropriate.

- *Regulation & Policy*
- *Production & Product Development*
- *Markets (Domestic & Export) & Quality Assurance*
- *Supporting Structures & Sector/movement Organization*

Input presenters and review panel members mentioned earlier can serve as resource persons and chairs of the group discussions.

Group reporting guide

Besides reviewing the factual information given, it is recommended that the group be instructed to reflect and identify the following for their respective sections.

- *Key development indicators and emerging trends [Opportunity/Threat]*
- *Dominant factors [Enabling/Constraining] and actors [Supportive/Resistant]*

- *Happy and unhappy parties [Intervention focus and target beneficiaries]*
- *Strengths*
- *Weaknesses*

On completion of the situational analysis, the group should then consider interventions proposed from the inputs presented as well as from group participants in the three categories below. Time frames should be set for all proposed interventions.

- *Existing structures and activities to be further supported*
- *Short to medium term projects [institution building and activities] to be implemented*
- *Issues requiring further research and development for the longer term.*

Adoption of intervention recommendations (Development Plan outline)

Having appraised and considered development interventions for the sector separately, the findings of the group work should then be presented, consolidated [see example of consolidated table format below] and reviewed as a whole in a plenary session.

Sample consolidated table format

	Development status		Appraisal		Intervention [timeframe]	
	Indicator	Trend	Strength / Opportunity	Weakness / Threat	Focus area & beneficiary	Support / Implement / Develop
Sector scenario						
Regulation & Policy						
Production						
Markets & Quality assurance						
Supporting structures & sector/movement organization						

Where possible it is recommended that consensus be built for the interventions proposed. If necessary an open vote should be called to resolve matters. Minutes should be taken for this session and a formal adoption taken on the resulting outline of the sector master development plan.

Follow up

The output of the ROSA process offers an outline of development objectives as considered and endorsed by the sector stakeholders themselves. This provides a valid sector master plan outline for further detailed project planning required for implementation. Each intervention may need a separate implementation plan of its own.

Focus group

Qualitative studies

The use of focus groups has steadily evolved over time and is becoming increasingly more widespread. A focus group is a form of qualitative research in which a group of people are asked

about their attitude towards a product, service, concept, or idea. It can be used e.g. in planning and evaluation of a project. Another important use of focus groups is to test educational or promotional materials that later might be used on a larger scale.

Questions are asked in an interactive group setting where participants are free to talk with other group members. Focus groups allow interviewers to study people in a natural setting. In combination with participant observation they can be used for gaining access to various cultural and social groups, selecting sites to study, sampling such sites, and raising unexpected issues for exploration. Focus groups have a high apparent validity - since the idea is easy to understand, the results are believable. Also, they are low in cost. One can get results relatively quickly, and they can increase the sample size of a report by allowing the leader to talk with several people at once.

Focus groups also have disadvantages: the researcher has less control over a group than a one-on-one interview, and thus time can be lost on issues irrelevant to the topic; the data are tough to analyze because the talking is in reaction to the comments of other group members; observers/ moderators need to be highly trained; and groups are quite variable and can be tough to bring together.

Traditional focus groups

In traditional focus groups, a pre-screened (pre-qualified) group of respondents gathers in one room. They are pre-screened to ensure that group members are part of the relevant area to be examined and that the group is a representative subgroup of this area. There are usually 8 to 12 members in the group, and the session usually lasts 1 to 2 hours. A moderator guides the group through a discussion that probes attitudes about the issue. The discussion is loosely structured, and the moderator encourages the free flow of ideas. The moderator typically is given a list of objectives or an anticipated outline, but will generally have only a few specific questions prepared prior to the focus group. These questions will serve to initiate open-ended discussions.

Focus groups are group discussions exploring one issue or a specific set of issues. The group is 'focused' in that the focus is on one specific issue e.g. to explore the possibilities of a domestic market channel or to analyze the outcome of a project input. Focus groups are distinct from group interviews in that they explicitly aim at interaction among the group members. Compared to quantitative methods, such as e.g. questionnaires, focus groups are better for exploring how points of views are constructed and expressed and to study attitudes and experiences around specific topics. The researchers are examining more than the spoken words. They also try to interpret facial expressions, body language, and group dynamics. Moderators may use straight questioning or any of a number of projective techniques, including fixed or free association, story telling, and role playing.

Focus groups may well be combined with quantitative methods in several ways. One way is to use focus groups prior to quantitative surveys in order to develop and understand key issues and to redefine or rephrase the questions. Focus groups may also be used when interpreting the results of quantitative findings.

Methodological aspects

The number of focus groups needed depends on the research question, the range of people to be included, and time and resource limitations. Statistical representativeness is usually not the aim in focus group research. A qualitative sampling is usually used in order to get a broad range of views concerning the specific research question addressed.

The group size and composition likewise depend on the question to be analyzed. Groups of five or six often are best, although larger groups are often recommended. Whether it is better for the groups to be homogeneous or heterogeneous with regard to e.g. sex, age, living area etc. likewise depends on the research question. Another issue is whether the group members should know each other (i.e. pre-existing groups). Recruitment can be more complicated than with individual interviews, as the group has to meet in a common venue.

The need for a skilled facilitator should not be overemphasized. If the topic is straightforward, 'safe', and of obvious interest to the research participants, relatively inexperienced facilitators could work well. As in interviews it is important that the facilitators avoid being judgemental, present themselves as experts, or make assumptions that close off exploration. The roles of the facilitator can be summarized as follows: 1) to introduce the session; 2) to stimulate the discussion; and 3) to make sure that everybody speaks and that no one dominates.

The sessions typically are tape recorded in combination with the use of one or two note takers. Analysis is often done through an 'open analytical approach' looking at issues and themes emerging in the discussion and performing a content analysis concerning these themes. Analysis is systematic and rigorous and therefore labor-intensive and time consuming. The analysis should not be left to a novice.

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Development Plan example: Bosnia and Herzegovina¹

Executive Summary

According to the observations of the consultant, a number of important components for the development of organic agriculture are already in place. What is mainly lacking are:

- ‘Commercial’ organic farmers
- An extension service trained to assist the farmers in implementation of organic agriculture
- Domestic marketing structures for organic products
- A service sector for inputs and other supplies for organic agriculture
- Public awareness of organic agriculture
- Knowledge about practical implementation of organic agriculture on most levels
- A policy framework for organic agriculture

The consultants consider the main reasons to develop organic agriculture in Bosnia and Herzegovina to be:

- To increase the competitiveness of Bosnia and Herzegovina farmers in both the domestic and export markets, thereby supporting incomes of rural communities
- To improve the image of Bosnia and Herzegovina’s products in the marketplace
- To protect the health of consumers, farmers, and farm workers
- To protect the environment

Based on these objectives the consultants propose a number of targets as well as an outline of an action plan. The action plan contains recommendations in the following areas:

- Structure
- A development program for organic farms
- Research and extension
- Processing
- Trade and markets in general
- Public awareness and promotion
- Regulation, standards and certification
- Networking

In the livestock sector it should be possible to select a handful of typical traditional products and quite easily convert them to organic. Around that can be built real brands to be marketed internationally.

The plan is ambitious and will demand substantial human and financial resources for its implementation.

¹ This example of a development plan was developed by Gunnar Rundgren in consultation with the stakeholders in Bosnia and Herzegovina 2005. It is included to show how a simple plan can look like.

Status of organic farming in Bosnia and Herzegovina

The conditions for organic farming in Bosnia and Herzegovina are reasonably good. Organic farming can combine income-generation, farm development, trade, and environmental protection. Many of the lovely landscapes in B&H are dependent on traditional farming practices that are close to organic farming. This is especially the case in the livestock sector.

According to the observations of the consultant, there are already a number of important components in place, most notably:

- Increasing exports of organic products
- The initiation of foreign investment in the organic sector
- The further training of advisors and their embryonic formation as a group
- The adoption of national organic standards for organic crop production, wild production, processing, and bee keeping
- The establishment of a domestic organic certification service, Organska Kontrola
- The existence of a number of key people and organizations (e.g. ECON&Beta) with knowledge and interest in organic farming
- The initiative to form an organic association
- Increased attention to organic by media
- Emerging government support for organic farming, on the canton and entity level
- An embryonic local demand for organic products

What is mainly lacking is:

- Knowledge about practical implementation of organic agriculture on most levels
- ‘Commercial’ organic farmers
- An extension service trained to assist the farmers in implementation of organic agriculture
- Domestic marketing structures for organic products
- A service sector for inputs and other supplies for organic agriculture
- Public awareness of organic agriculture
- A policy framework for organic agriculture

Obstacles for certified organic farming

There are no insurmountable obstacles for farmers in Bosnia and Herzegovina to convert to organic farming. Apart from abandoning the use of agro-chemicals, the most critical issues appear to be:

- Proper management of nutrients
- Implementation of farm recordkeeping
- Implementation of rotations and farm diversity
- Proper recycling of farm waste
- General farm management.

Obviously, there might be particular pest problems that will be hard to solve, but experience in other countries indicates that with a good organic farm system, pest problems are seldom a real obstacle. For the few remaining pests, biological control measures can normally be found. Generally speaking the obstacles lie more in management and marketing than in the farming itself.

Development plan for organic agriculture in Bosnia and Herzegovina

Objectives

The consultant considers the main reasons to develop organic agriculture in Bosnia and Herzegovina to be:

- To increase the competitiveness of Bosnia and Herzegovina farmers in both the domestic and export markets, thereby supporting incomes of rural communities
- To improve the image of Bosnia and Herzegovina products in the marketplace
- To protect the health of consumers, farmers, and farm workers
- To protect the environment

Targets

The consultant suggests the establishment of some clear targets/indicators for the development of the sector. These can be that:

- Consumer awareness of organic is substantially increased (measured by consumer surveys).
- All major supermarkets are selling organic products by 2007.
- Productivity of organic farms is not less than 90% that of conventional farms
- Economic returns for organic farmers are higher than for comparable conventional farmers.
- 5% of the vegetables in Bosnia and Herzegovina are organically produced by 2010.
- Five defined traditional livestock products have been converted to organic farming and reached the international market under distinct brands.
- Certified animal production represents 5% of Bosnia and Herzegovina agriculture by 2012.
- The Bosnia and Herzegovina organic certification system is recognized by the EU by 2008.

Action Plan

In order to promote the objectives and fulfill the above targets, the following actions are proposed:

Structure

- On the governmental level(s), designating lead agency(ies) to be responsible for implementing the plan.
- Establishing a National Advisory Group for Organic Farming to bring together stakeholders and government agencies.
- Encouraging the private sector to participate and invest in organic.
- Engaging civil society organizations and other agencies in raising awareness and promoting organic farming.
- Creating an Organic Advisory Unit for the extension service people involved.
- Establishing one organic association/chamber of commerce/trade association to organize the private sector.
- Supporting Organska Kontrola.

Development program for organic farms in Bosnia and Herzegovina

In all farm-related activities and programs, there should be emphasis on soil building, diversity, and good water management as fundamental aspects of organic farming.

- Farmers get enrolled in a conversion program for organic agriculture.
- All participating farmers get regular advisory support.

- A special program is established for the conversion of a number of traditional livestock products to organic farming.
- MoA/Extension service to develop standard recordkeeping procedures to be used by farmers in the program.
- Incentives for farmers
 - Equalizing incentives, i.e. ensuring that organic farmers get at least as much support as conventional farmers.
 - Special incentives, such as:
 - Support for certification costs
 - Hectare support
 - Support for trial of new techniques, inputs, or technologies
 - Support during conversion period
 - 'Organic village' , e.g. dedicating a certain area to organic production in cooperation with the local communities
 - Award for the best organic farm

Research, extension and training

- Networking with countries with similar conditions to acquire existing applicable research.
- Research on pressing issues, e.g. certain pests.
- Introduction of farm-based research (because organic farming is a farming system and not just a collection of technologies) in order to find optimal production systems.
- Training of key extension workers in organic farming, including certification procedures (in order to advise farmers).
- Establishment of demonstration farms etc.
- Conversion of agricultural schools to organic farming.

Processing

- Assistance in the introduction of a management system according to the requirements for organic certification and training of quality managers in organic procedures, e.g. traceability systems. These fits well with other control systems, such as HACCP.
- Special efforts to improve the hygienic quality standards for the targeted livestock products.

Trade and marketing in general

- The use of the OK mark in all public awareness-raising activities, to ensure a clear identity for organic products.
- Support existing initiatives, e.g. the first IFOAM Conference for Wild Production, May 2006, and local marketing efforts.
- Establishing a marketing program for the branded products in the livestock sector, combining the strength of a Typical Product and a Product of Origin with Organic.
- Ensuring that organic importers/exporters are included in trade missions and trade promotion programs.
- Bosnia and Herzegovina to participate in the Biofach fair 2006 and 2007.
- Organizing training for importers/exporters that want to be certified.
- Assisting farmers to organize themselves in groups for trade in the horticulture sector.

- Public procurement of organic products.
 - Preference for organic products expressed in tendering for public procurement.
 - Extra funds allocated for schools or hospitals that want to serve organic foods.
- Development of retail trade in organic products.
 - Seminars for shopkeepers interested in organic.
 - Training of shopkeepers/staff so that they understand what organic is and can explain it to consumers.
 - Production of information materials, posters and signs that can back up organic products in shops.

Public awareness and promotion

- Public campaigns for organic products and organic production.
- Web site for the organic mark (OK) directed at consumer education.
- School education linking organic products to health and the environment.
- Government officials and other opinion makers to promote organic.
- Organic food in strategic events hosted by the government.
- Special organic events, e.g. Organic Day, organic radio shows.

Regulation, standards and certification

Regulation

In line with the adaptation to EU regulations, B&H will have to establish an organic market regulation. However, this is really not the first priority, as the sector can also develop well without a regulatory framework. The processes for getting EU recognition for exports are under revision. The new system proposed will allow a certification body to get direct approval by the EU irrespective of whether there is a legal framework in the country. Also, the revision of the regulation in Japan is going in that direction. In the USA it is already the case. If organic regulations are initiated it is important that they be kept simple in a way that doesn't stifle the development of this small sector.

Certification

Organska Kontrola is already established and has broad support from the stakeholders. It is important to support OK further. If the government wants to assist farmers with costs for certification it is probably easier to let OK administer that support than to give money to farmers.

Networking

- Arranging organic-related conferences and events.
- National meetings to discuss pressing issues.
- Participation in international forums, such as the International Task Force on Harmonisation and Equivalence in Organic Farming, the Codex Alimentarius Food Labeling committee, and other initiatives.

Implementation of recommendation

There is a need for substantial human and financial resources to implement the plan.

Monitoring

In order to be able to monitor progress according to set targets it is recommended that a monitoring system be put in place, covering aspects such as:

- Establishment of baseline data on consumer understanding of organic agriculture for future evaluation of development
- Keeping a database for the development of number of farms, production, and exports/imports in order to assess progress
- Recording the introduction of good organic practices on farms

Resources

Market Development

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The IFOAM Training Platform

On the IFOAM Training Platform more information is available. www.ifoam.org/training

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IFOAM Norms for Organic Production and Processing, IFOAM, Bonn 2005

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IFOAM, May 2004

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www.organicstandard.com

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Journals

IOAS e-mail update

www.ioas.org

The e-mailed bi-monthly news brief is a free service offered by IOAS aimed at public-sector bodies throughout the world who are involved in the regulation of the organic sector.

The Inspector's Report

www.ioia.net

The newsletter of the IOIA. Published quarterly.

The Organic Standard

www.organicstandard.com

A monthly electronic journal for organic standards, regulations, and certification.

Web sites

ec.europa.eu/agriculture/qual/organic/index_en.htm

The European Union website for organic farming.

r0.unctad.org/trade_env/itf-organic/welcome1.asp

The website of the International Task Force of Harmonisation and Equivalence in Organic Agriculture. It contains a wealth of information related to regulations for international trade in organic products.

www.ams.usda.gov/nop/

The National Organic Program of the United States. Contains the organic rules, information about how to be NOP-accredited, etc.

www.ifoam.org

The IFOAM website, where you will find the IFOAM norms, information about the organic guarantee system, various guidance papers, and the IFOAM training platform.

www.ioas.org

The website of the International Organic Accreditation Services, where you will find information about IFOAM accreditation and ISO 65 accreditation by the IOAS.

www.ioia.net

The website of the Independent Organic Inspectors Association has information on forthcoming inspector training programs.

www.codexalimentarius.net

The website of the Codex Alimentarius.

www.fao.org/organicag/

The portal for organic in the FAO. Includes information on relevant legislation in many countries.

The IFOAM Training Platform

On the IFOAM Training Platform more information is available. http://www.ifoam.org/organic_facts/farming/pages_FG/I-GONavPages/training_platform_MainPage.html

Policies

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Supporting structures

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Websites

www.coreorganic.org

Information for trainers and extensionists at the Sustainable Agriculture Research and Education website, see: <http://www.sare.org/coreinfo/educators.htm>

<http://www.orgprints.org>

<http://www.asnapp.org/resources/links.html#OrganicResources>

Organic Resource Management and Agricultural Technologies

<http://www.formatkenya.org/>

Organic Research Database

<http://www.organic-research.com/>

At FAO: <http://www.fao.org/organicag/>

Institute of Organic Agriculture, Germany

<http://www.iol.uni-bonn.de/english/news.htm>

International Society of Organic Agriculture Research

<http://www.isofar.org/>

The IFOAM Training Platform

On the IFOAM Training Platform more information is available. http://www.ifoam.org/organic_facts/farming/pages_FG/I-GONavPages/training_platform_MainPage.html

Organic sector development

Organizational development

There is a wealth of information about organizational development. An internet search on key words such as Strategic Planning will generate many hits.

The IFOAM Training Platform

On the IFOAM Training Platform more information is available. http://www.ifoam.org/organic_facts/farming/pages_FG/I-GONavPages/training_platform_MainPage.html

ANNEX 2: CASE STUDIES

China

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Agricultural conditions

China's 122 million ha of farmland represents all climatic zones, from tropical to frigid, but the temperate zone, which is suitable for agriculture, forestry, animal husbandry and fishing, is predominant. The main crops are rice, millet, buckwheat, soybeans, tea, mulberry, ramie, abutilon, pears, peaches, oranges, litchis, longans, hawthorns and kiwis. China has abundant resources for aquatic production along its coastline.

Since 1978, the agricultural structure in China has changed sharply from production mainly of grains to joint development of grains, cash crops, and fodder crops. Today, farmland is managed by collective farms, companies, and individual farmers, while state-owned farms account for only 4% of the total cultivated area. The agricultural population is 900 million, 70% of the total Chinese population; however, agriculture accounts for only 13.2% of national GDP. In 2005, the value of agricultural exports was US\$ 27.18 billion, while the value of imports was US\$28.65 billion. The main export products are rice, wheat, maize, soybeans, cotton, plant oil, sugar, vegetables, fruits, and livestock and aquatic products.

Organic agriculture

Organically managed land increased from 342,000 ha (0.26%) in 2003 to 978,000 ha in 2005. There are about 20 categories of certified organic or in-conversion products so far. Cereals, beans, and tea account for the major portion, while vegetables, fruits, and animals are still a small part. Of the total value of organic products, 2.2 billion RMB in 2004, about 1.2 billion RMB was earned from exports and only 0.2 billion RMB from the domestic market, with 0.8 billion RMB sold as conventional products. The organic products for export are mainly soybeans, tea, vegetables, and cereals; the main export markets are the USA, EU, Japan, and some Southeast Asia countries.

The domestic organic market has increased rapidly in recent years. The main organic products for the domestic market are vegetables, tea, rice, fruits, and honey. In Beijing, Shanghai, and Nanjing, the price of organic-in-conversion vegetables is 1.5 to 2 times that of conventional ones in the supermarkets, while certified organic vegetables are up to 7 times as expensive. Still, the sales are quite good. Of course, this may be what is called 'rarity makes precious', but anyway is a true reflection of the price of organic food in the most developed cities of China at the initial stage of its development.

The early development of organic farming

In China, the organic agricultural movement was initially pushed by environmentalists who sought ways to reduce rural environmental pollution and soil erosion, to improve agricultural ecosystems, and enhance biodiversity. In 1989, the Rural Ecology Sector of the Nanjing Institute of Environment Sciences (NIES) of the State Environment Protection Administration (SEPA) attended IFOAM as the first member from China. However, the term 'organic food' was completely new to the Chinese people at that time.

External demand from developed countries was another initial driving force for organic production in China. In 1990, an international inspector, assigned by a foreign certifier, inspected the first Chinese operators. Three researchers from NIES accompanied the inspector and experienced the first organic inspection. Thanks to increasing international organic trade, the organic sector has gradually increased since the early 1990s.

Since the mid 1990s, organic food has become better known, and more and more researchers, government officials, and producers have begun to get involved in organic farming. In 1994, the Rural Ecology Sector of NIES was restructured as the Organic Food Development Centre of SEPA (OFDC-SEPA), and since then has been devoted to promoting the organic sector of China. OFDC has attended almost all the important events organized by IFOAM and has established relations with a broad range of organic actors around the world. Starting in 1998, a 5-year program, 'Chinese Organic Agriculture Development', was carried out as a cooperative effort of the Chinese and German governments. The program was mainly undertaken by GTZ and OFDC, and proved to be a huge contribution to sowing 'organic seeds' in China. Supported by the program, OFDC has developed into the first certification body, performing certification, research, and promotion of organic.

Since 2000, organic agriculture has developed rapidly and many operators and certifiers have entered the organic sector. However, the strong development brought the disadvantage of false certification and products. In 2002 the Certification and Accreditation Administration of China (CNCA) was authorized by the State Council and is responsible for the administration of the whole certification industry, including organic certification and accreditation. Since then, the Chinese organic sector has been regulated more strictly.

Market development

Domestic Market

In recent years, the living standard and consequently the consciousness of health and environmental protection among the Chinese have been increasing. This has created greater

demands for healthy foods and organic foods. Organic food is often sold in big supermarkets in big cities like Beijing, Shanghai, Guangzhou, and Nanjing. There are also a few specialty stores for organic products. However, neither the distribution system nor direct marketing systems have been established so far. One limiting factor for the development of a domestic market is the high price of organic products. The consumer can accept an extra cost of 10-20%, but the price is often 3-5 times higher than that of conventional food, which restricts the domestic market to a special group of consumers in the major cities. Local media, in their efforts to promote organic food, have sometimes twisted the concept of organic food, which has reduced ordinary consumers' confidence in it.

Export Markets

At present, organic products in China are sold mainly to developed region such as North America, the EU, and Japan. It is believed that the export value of organic products has risen to about US\$100 million and is forecast by some experts to have an annual growth rate of over 30%. The major export products are processed vegetables, soybeans, honey, grains, green tea, herbal medicines, and beans. The most important places to make contacts regarding exports are expositions such as Biofach in Germany. There is a growing interest in these products, including textile fibers such as cotton and hemp, but current organic production is not able to satisfy the foreign market demand. Another major factor limiting exports are the trade barriers caused by the importing countries' own organic regulations and standards.

Initiatives to increase consumers' awareness have included annual exhibitions held in Beijing and Shanghai and directed towards organic operators and consumers. Pioneering organic stores and restaurants in Beijing, Shanghai, Nanjing, and others also can contribute much more to increase consumers' awareness.

Role of standards

Organic standards provide a theoretical basis and operational criteria for organic production and were the first publicity and educational material for Chinese organic farming. The standard and labeling rules help to regulate the organic market, and help consumers to clearly identify organic products. This has increased consumers' trust in organic products.

Certification is considered the main factor for the development of organic farming in China. Since certification can satisfy the demand of the organic market, especially the international market, organic certification has had a strong influence on the operators

Regulatory framework

NIES, and later OFDC, developed the first and most comprehensive 'Standard for Certification of Organic Products', in 2001. It was based on the IFOAM Basic Standards, EU Regulation 2092/91, and the standards of Organic Crop Improvement Association. Before the Chinese National Organic Standard was issued in 2005 there was a period when several standards were in effect in China: the OFDC Standard and standards of foreign certification bodies, some government departments, local standard bureaus, and science institutes. The confusion caused the organic sector to appeal for a unified organic standard.

In 2002 the Certification and Accreditation Administration of China (CNCA) was authorized by the State Council to be responsible for the administration of organic certification and accreditation. CNCA organized the establishment of the Chinese National Organic Products Standard (CNOPS), which was officially issued and implemented in 2005. The Standard is based on the IFOAM Basic Standard, is compatible with Codex Alimentarius, the EU Regulation 2092/91, NOP, and JAS, and introduces requirements based on the ISO 9001-2000 Quality Management System. The main role of the national standard and regulations is now to regulate and supervise the organic sector, including certification, consultation, and operational practices.

Because it complies with so many foreign standards, the Chinese Standard is among the most stringent in the world. The China National Accreditation Board (CNAB) has started to evaluate and accredit all institutions involved in organic certification in China. CNCA approved 29 control bodies by 2006. Most foreign CBs are starting different cooperation methods with Chinese partners so as to get approval from CNCA.

There are different opinions on the effects of the stringency of the standard. Some people propose to set up two levels of the standard, a lower level suitable for domestic conditions, and a higher level equivalent to the standards of the main import countries. The current standard may put some limitations on some operators, but also may push some operators to improve their organic operations.

Chinese certification practices are mainly third-party certification. There are a few examples of group certification, but no participatory guarantee systems.

Since 2005, all products sold in the Chinese market as organic/organic-in-conversion must be certified, and the national organic logo and the logo/name of the control body must be indicated on the product. Imported organic products must meet the CNOPS and carry the label as well.

Organic agriculture policy

Most Chinese agricultural policies can be defined as WTO 'green box', with support e.g. for food security and environmental protection. Through the Chinese 'yellow box' the government gives subsidies to almost the entire process of agricultural production, including subsidies for chemical fertilizers, pesticides, and seeds. These subsidies make farmers choose to use these inputs without hesitation, causing a great deal of waste and pollution of natural resources.

Until 2004, the SEPA was the primary government proponent of organic agriculture. However, local and provincial governments also recognized the economic and ecological benefits of organic food early in its development and created several successful export-oriented enterprises. State involvement in organic agriculture extended not only to certification, but also to activities to push marketing and production.

In June 2004, 11 Ministries from the central government of China, including the Ministry of Commerce, the Ministry of Finance, and the State Environment Protection Administration,

among others, jointly issued a document called 'Recommendation to Promote Organic Food Industry Development'. This is considered the first central government document to bring forward supporting policies to the organic sector. In 2005 and 2006, the Ministry of Commerce and Ministry of Finance stipulated the detailed rules for subsidies to agriculture products, including organic foods.

Compared with developed countries, Chinese support policies for organic farming are still in the early stage, and further development of support policies is eagerly expected.

Organization and structure of the organic sector

In accord with the organic industries' development in China, all kinds of new organic agricultural models have been developed. A firm leasehold management means that an organic processing or trading company leases the land from farmers and manages the farm and the sale of organic products, while the peasants may obtain the land rent and at the same time become agricultural workers. The peasants' payment has no direct relation to farm yield.

A successful model is the company + base + farmers, where the processing or trading firm sets up the organic production base in cooperation with a local government such as a village or a township. The farmers take up organic production according to the firm's demand, and the government signs a planting and purchase agreement with the farmers in a sound, long-term collaboration. In an organic production association the farmers are led and organized by the local government to take part in organic production. The association may instruct the farmers in organic production, support in techniques and sell the products with a standardized quality. Where companies fail to organize organic production, the local governments also establish their own 'government enterprises' in so-called demonstration bases of local government to promote local organic development.

The image of organic agriculture is that it contributes to health, food safety, and environmental protection. Besides export opportunities, the official sector emphasizes organic agriculture's contribution to sustainable development of agriculture and sustainable land use.

Supporting structures: Research, education, extension

Along with the development of organic agriculture in China, many science research institutes established organic agriculture research and consultation agencies to provide consultation for publicity, training, and organic agriculture techniques.

The Nanjing Global Organic Food Research and Consulting Centre (OFRC) was formally established in 1999. As the first registered organic farming research and consultancy organization in China, OFRC became a member of IFOAM in 1999, and a part of IFOAM's Organic Agriculture Consultation Experts Committee in 2002. So far, OFRC has conducted consultation, instruction, and training for over 300 producing enterprises and bases of organic products in China. OFRC conducted technological and market studies as well as research on policy and planning for organic food.

In 2000 the Plant Protection Department of the China Agriculture University founded an Organic Agriculture Technology Research Centre that began training in organic plant

protection technology, seeking to spread it over the whole country. They have set up programs and have published books on organic agriculture principles and technology that made great contributions to the development of Chinese organic agriculture. In the same year, Nanjing Agriculture University set up the Institute of Organic Agriculture and Organic Food to work on organic agriculture science research and technology extension. China Agriculture University and Nanjing Agriculture University also opened courses on organic agriculture that helped many technicians master organic agriculture technique.

There are also many NGOs in China that promote and develop organic production systems, such as the Pesticide Eco-Alternatives Centre Yunnan, Greenpeace Hong Kong, and Partnerships for Community Development in Hong Kong. They have conducted many experimental programs for organic agriculture and made active and effective investigations of Chinese organic agriculture practices.

Lessons learned:

- External demand for Chinese organic products has been a major driving force, but also concern about environmental degradation.
- International (IFOAM) contacts and collaboration have inspired organic development.
- The initiatives to develop organic agriculture have come primarily from companies and local governments.
- A unified national organic standard increases consumers' trust in organic products.
- The existence of a CB can be a positive factor for promotion of organic farming but also has its limitations; it cannot cover aspects such as policy, trade, and research.
- The ambition to comply with all the main international standards makes the standard difficult to work with for practical operators.
- A domestic market can be developed and fostered through:
 - general promotion of organic agriculture and organic food by the media.
 - producers who can guarantee the quality of organic products
 - building of diverse and efficient marketing channels and sales networks where organic food company alliances share resources, raise the efficiency of distribution, and decrease the marketing costs
 - government support to domestic market development and funds that can stimulate organic food shops, distribution centers, specialty stores, and chain stores
- Export capacity can be improved through ensuring product quality, strengthening the administrative surveillance and company self-discipline, and training officials and staffs of the certified companies
- To avoid trade barriers, exporters can cooperate with organic certification bodies in the importing countries or even organize certification by CBs of the importing country.
- It would be interesting for Chinese enterprises to develop their own special local products that can be appreciated by foreign consumers.
- Contacts with foreign business partners and export exchange should be promoted.
- Diversity of models suiting different situations and conditions is beneficial for growth.
- Supporting policies need to be further developed.

Italy

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Agricultural conditions

Italy has approximately 56 million inhabitants. Agriculture has been, and still is, a major asset for the country's economy.

In the global market Italian products are widely known and appreciated. However, there are major challenges. The small size of most Italian farms and their still prevalent traditional / extensive production systems create a structural weakness in the farms, with a large part of them dependent on public support for their survival. The increasing average age of farmers (> 60 today) and the lack of a younger generation willing to continue is another general threat. Almost 70% of the farms remain without a successor. In addition, the rigid farm property system makes it difficult for new farmers to acquire land.

Organic agriculture

Over 1 million ha is managed organically (>700,000 ha organic and >300,000 ha in conversion), representing about 7% of Italy's agricultural land and 2% of all its farms. The main organic crops are forage and pasture, which with other extensive arable land account for about 60% of land use, followed by cereals at 21%. Olives account for 10%, grapes 3%, fruits 3%, citrus 2%, and fresh vegetables 2%. In 2005, organic animal husbandry included 222,000 cows, 31,000 pigs, 738,000 sheep, 86,000 goats, 977,000 chickens, 7,000 horses, 1,000 rabbits, and 72,000 bee hives.

By the end of 2005 Italy had 44,733 organic farmers, 4,537 organic processors, and 185 importers, with a total of 49,859 organic enterprises. In 2004 the number was 40,965.

Organic farms are not evenly distributed through Italy. 70% of organic farms are in the south, 12% in central Italy, and 18% in the north, while 48% of the trading companies and processors and 90% of importers are located in the northern regions.

Development of organic farms and farming area 1990-2000 (Source: AIAB)

Year	Operators	Hectares
1990	1,300	13,000
1991	1,500	18,000
1992	2,500	30,000
1993	4,189	91,638
1994	9,042	153,626
1995	10,851	204,238
1996	17,393	276,070
1997	31,118	564,913
1998	43,698	788,070
1999	49,018	958,687
2000	51,120	1,040,377
2005	49 859	1,067,107

The early development of organic farming

In the early 1980s the organic farming movement of Italy was small and scattered among many regional and local groups. Many active organic development projects, especially in Sicily and southern Italy, were managed by foreign organizations, mainly German and Dutch. These projects provided raw materials and fresh organic products for the faster growing northern European markets, but they had little or no connection with the local organic pioneers, and referred to foreign standards and certification.

In January 1983, with the participation of the main leaders of the pioneering Italian organic movement, the cultural association AAM TerraNuova organized a national conference in Rome. It was agreed at the meeting that there was an urgent need for common organic agriculture standards and certification criteria. It was felt that the IFOAM Basic Standards should be used as a framework. The title of the event was 'Cos'è Biologico' or, in English, 'What is organic?', a name that was maintained for a subsequent meeting in Bologna and for a National Technical Commission that was established later. The National Commission 'Cos' è Biologico' acted as a democratic umbrella for the growing movement, which consisted mostly of regional and local groups of organic and biodynamic farmers, technicians, and consumers. The Biodynamic Association, Suolo e Salute, and BioAgriCoop were part of the Commission.

The first Italian Organic Agriculture Standards were published in 1986. By that time more regional associations, cooperatives, and consortia had been formed, sometimes with an internal certification system based on the newly defined common standards. Many of them also acted in the marketplace, trying to organize trade in foreign markets, but also establishing local markets and connections with shops in the cities of the north. There were many partnerships between these actors, starting with the definition of common criteria for certification and developing into a commercial relation.

In 1988 the Commission founded the Italian Association for Organic Agriculture, AIAB. Through AIAB a national system for supervision was established and most of the regional

organizations were granted recognition. Like AIAB, most of the regional organizations founded in the 1980s refer to IFOAM in their statutes and legal constitution. Consequently the IFOAM Basic Standards were used as a reference together with the Cos'è Biologico / AIAB standards in the first proposal of a National Law on Organic Agriculture, presented by the Green Party in 1988.

The Italian organic movement's active participation in IFOAM started only by the end of the 1980s. The first international conference of Organic Agriculture in the Mediterranean Countries AgriBioMediterraneo, in Vignola in 1990, attracted most of the organic movements' representatives of the Mediterranean Region. This was the start of a series of conferences in the following years, which gave birth to a coordinating initiative and developed into a regional group in IFOAM. The active participation in the IFOAM EU regional group gave more chances for the Italian movement to exchange know-how on the issues of standard setting, certification, and agricultural policymaking and lobbying.

In these early years the organic movement felt an urgent need for a law. Initiatives to build a national market for organic products were hampered by authorities who considered the unregulated organic market 'illegal' or 'fraudulent'. Pushed by alliances of organic farmer, consumer and environmental organizations, some regional governments set up legislation for organic agriculture with rules mostly based on the standards of the Cos'è Biologico Committee / AIAB. Some support for promotion, market development, extension, and experimentation was included. Cooperation with the authorities in writing the rules and procedures made the organic sector more and more effective on both the regional and national levels, which was a good start at the time of the implementation of the EU Regulation on organic agriculture.

The lack of state support in the early days meant that the private sector had to rely on itself to cope with the rapid growth of the organic movement in Italy. The older grassroots associations invested a lot of resources to organize the production, distribution, and promotion of organic products for the domestic market. Without this small but highly motivated organic sector, the growth of the organic movement in Italy would never have reached today's level. The strength of the organic movement in Italy has been the ability of the producers to build effective alliances with the growing number of consumers and with the environmental movement, and to communicate and interact with IFOAM.

Market development

The market value of certified organic products in Italy has increased strongly and in 2005 was 2.4 billion €, corresponding to 2% of total food sales. Of this, the domestic market accounts for 1.7 billion €, exports 0.5 billion €, and public institutions 0.2 billion €. There are over a thousand specialized shops that sell organic food, more than one-third of which are located in the north. They are mostly independent shops, with a floor area less than 100 sq. meters. There are also a growing number of larger outlets, often franchised shops, belonging to regional or national chains. A leading example is the organic retail chain 'NaturaSi', with 44 supermarkets, some including restaurants. NaturaSi has recently confirmed a strategic alliance with ECOR, the leading wholesaler in specialized shops, which has 200 BIO franchised organic shops.

Export market

In the early stage, export to northern countries, mainly Germany, Switzerland, and the UK, was the natural destination for most Italian organic products. Export continued to e.g. the UK, Sweden, and Switzerland, with many problems connected with the recognition of Italian organic certification by foreign private labels. By the end of the 1990s a careful estimation was that 70% was exported and 30% sold on the domestic market. By the early 2000s, the proportion tended to be an even 50-50. In the last few years, export shares have been increasing again because of the slower growth in the domestic market and, very probably, because of the good quantities and qualities of Italian organic specialties - pasta, olive oils, wines, seasoned cheeses, and fresh fruits and vegetables. Distant export markets are developing in the USA, Japan, and Asia. Animal feedstuffs are exported to more developed organic animal husbandry industries of the north, while most milk and dairy products are imported.

Domestic market

A market poll in 1999 revealed that organic foodstuffs such as dairy products and packaged foods were carried by 95% of all Italian supermarkets. Organic vegetables, though, were available in only 19% of those supermarkets, mainly in the northern regions and in Tuscany. Since 1999/2000, all of the country's largest supermarket chains (Coop, Esselunga, Conad, Giesse, Pam, Carrefour, etc.) have launched their own private organic lines as well as fair trade products, which very often also are certified organic (e.g. bananas, pineapple, coffee, tea, and cocoa).

Large retailers' share of the total Italian organic market is estimated to be over 50%. An important share is represented by the catering industry, which is slowly but steadily orienting public meals towards organic. This started already in the mid 1980s, when some regional organic farmers' cooperatives addressed local schools, involving teachers, kids, parents, and cooks in educational activities while providing the kitchens with products. This strategy also has had a good effect on private consumption.

A new direct marketing sector is developing fast in Italy, either self-financed or supported by local administrations or consumer networks. This implies a different farm structure and organization, orienting the production towards greater variety and maybe smaller amounts. This often leads to innovative partnerships among producers. It is very similar to what happened in the pioneering days, except that now there is much more attention and response from the market.

Most of these direct sale operations are certified. The legislation also requires certification of organic shops, but only 350 organic shops/supermarkets are certified. For the catering industry organic certification is still voluntary. Recently private companies such as IKEA started to offer certified meals on children's' menus in all store restaurants,.

Consumer awareness

The Italian public is generally well-informed about organic production. In 2001, a survey showed that 73% of the Italians could give a correct definition of organic agriculture and knew some key characteristics (no chemicals, more natural, etc.). Nearly all the remainder

(22%) gave vague, but not wrong, definitions (healthy, genuine, safe). The food scandals of the late 1990s and early 2000s have given arrows to the organic bows, and the IFOAM Italy coordination group's campaign, 'The True Cost of Food', based on the original UK campaign, was helpful.

Publicly sponsored (EU, national, and regional) promotional and informational campaigns have recently been launched, while earlier press and media interest was stimulated by the organic movement's communication efforts reacting to food safety scandals.

The first marketing efforts were led by farmers, mostly in cooperatives, but many of them merged during the 1990s into larger conventional agriculture cooperatives or evolved into larger for-profit companies. In the years of the organic boom many conventional agro-food businesses and conventional supermarket chains got more involved in the organic market. However an economical crisis heavily affected consumption patterns in 2004, and some large retailers reduced their investments in organic. The commitment of the market actors is still unstable in many cases, since the general food crisis has led to decreased sales, which also affected organic products. The challenges that the marketing pioneers had to face in the early days were enormous, and often they even were legally or politically challenged and always had to work while underfinanced. They did not always overcome the obstacles, but managed by and by to gain support from other farmers, green politicians and institutions, and consumers.

Regulatory framework

In 1993, the year of implementation of EU Regulation 2092/91, the four operating certifying bodies at the time were using their own private standards. Since then only AIAB has maintained standard development as a priority, including standards on plant and animal production, wild products, baked goods, winemaking, and bee keeping. However, when the organic movement exploded in the mid 1990s, even AIAB allowed its private standard and certification program to lose importance. Instead, priority was given to guiding the public authorities in the implementation of the EU Regulation.

When this took place in 1992-93, the Ministry of Agriculture as the Competent Authority centralized representation, accreditation, and vigilance over private control bodies. That move created a two-year fight between regional and national public administrations that was only solved in 1995, when a legislative act officially involved both levels of administration and anticipated the EU Regulation's new UNI-En 45011 accreditation criteria for certification bodies. Nowadays, the Ministry of Agriculture uses a committee composed of national and regional officials who make accreditation decisions. The regional governments have competence for vigilance over the private control and certification bodies. Decisions on third country imports are made at the central administration level. Although the decentralization has had positive effects, the system is extremely burdensome for the operators and the certification bodies. Different or even conflicting interpretations of the rule are not uncommon.

Some Ministry research institutions have been involved in setting up advisory committees on EU Regulation IIB and IIA annexes, and on organic animal husbandry, involving personnel

from central and regional public administration as well as representatives from general farmer and consumer associations and from the organic movement.

In 2000, three certifying bodies were IFOAM-accredited, and in 2006 there were five. The Italian IFOAM Accredited CBs recently developed a common certification standard (Italian Organic Standard,) which was the first to be approved by IFOAM. These standards reflect both the IFOAM Basic Standard and the EU Regulation. Most of the largest certifying bodies are accredited under EN 45011 (ISO 65) by Sincert, the Italian authority for accreditation.

Organic agriculture policy

The boom in organic farms and agricultural land during the late 1990s was broadly driven by the support policy under EU regulation 2078/92. It was implemented in most of the regions, and at least to extensive, traditional farmers provided a good incentive to convert to organic farming. In 2000, with the Green Minister of Agriculture, a national target was set: '10% of all agricultural land converted to organic by 2005'. A promotional campaign was launched for organic products in 2001 with a budget of about 7.25 million € and financed by a new 2% tax on synthetic pesticides. A national committee for organic agriculture was established with a consultative purpose for legislative actions and for defining national strategies for the development of organic farming.

With the Berlusconi government, which came into office in 2001, the 10% goal was forgotten, and funding for the agro-environment regional plans and the new EU rural development program became more selective in favor of market-oriented farms. This took many extensive and marginal farms out of organic production. The general economic crisis heavily affected consumption patterns in 2004, and some large retailers reduced their investments in organic. Luckily, the growing public sector market and the good quality appeal of organic products in export markets kept a lot of organic farmers in the system despite their having lost the EU payments.

The new government (spring 2006), in which the Greens are back, has shown some interest and understanding of the importance of the sector. The main government support to organic farming was in regional Agri-environmental programs, still often giving priority to market-oriented farms through higher support premiums and support for marketing initiatives and certification costs. In some regions there is competition between the premiums for organic and for more general 'sustainable' systems (e.g. IPM - integrated pest management), while in others substantial priority is given to organic farming.

Organization and structure of the organic sector

A feature of the organic movement in Italy is the large number of certifying bodies. Currently there are 16 organizations, the majority of which became established in the last ten years. The four oldest certifying bodies and producers' associations in Italy are AIAB, which in 1990 was the largest association, grouping together many local and regional grassroots associations; Suolo e Salute, established in 1969; the Biodynamic Association, founded in 1947; and CCPB, established in 1988 as a cooperative consortium of large agricultural cooperatives, processors, and the Coop Italia supermarket chain.

The high competition among the certifying bodies has led to the lowest certification costs in Europe. Another factor is that in 2000 only 15-20% of the certified farmers produced for the organic market. A reason for this is that a large majority of Italy's new organic farmers converted in order to benefit from public support and have few or no products to sell, being in conversion or too extensive.

In 2000 AIAB, in association with Demeter Italy, ANAB (the Italian Bio Building Association), ACU (a national consumers association) and Banca Etica (Ethical Bank), set up a limited consortium called ICEA. ICEA inherited the AIAB certification system, leaving AIAB to concentrate on the general promotion of organic agriculture, lobbying, research, and training. The AIAB Standard has now become a standard of origin of the products, guaranteeing that all ingredients are Italian.

The organic movement in Italy always aimed for unity to be better represented at the institutional level, but this was very rarely achieved. In 2006 a national umbrella organization was founded, FEDERBIO, which finally represents the full diversity of the Italian organic movement.

Supporting structures

Each year more public funds are invested in organic agriculture research, experimentation, extension, dissemination, marketing, and promotion. Finally by the end of 2006 the new government started devoting resources to implement the National Plan for Organic Agriculture. This will possibly bring fresh financial resources to organic research, training, participation from the organic sector, and communication campaigns to the consumers. Support activities are mainly done on the regional level, with different legislative frames and implementing tools. Mostly organic producers associations are involved, either directly (getting and spending resources) or indirectly as a part of the decision process.

Lessons learned:

- A highly motivated organic sector that builds effective alliances is a major strength.
- Being part of IFOAM has strengthened the organic sector in the issues of standard setting, certification and agricultural policymaking and lobbying.
- National unification and a common standard are important for the movement to have a voice in the overall development process.
- Traditional agricultural systems based on principles and practices that are very close to organic agriculture have good potential for conversion to organic.
- Successful change takes long, patient and constant communication work, cooperative efforts between farmers and market actors, and unity of the organic representative voices.
- Food scandals give opportunities for strategic actions by the organic sector to gain consumer interest, e.g. the campaign 'True Cost of Food' and media contacts.
- A well-organized organic sector has a higher capacity to communicate and to offer a wider range of products with continuity in the market.
- In the general crisis of the old and conservative agriculture system in Italy it is a good strategy to show the future opportunities of organic to the youngest and brightest farmers.
- For efficient use of public resources for research and training, the organic sector should be involved.

The Philippines

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Agricultural conditions

The Philippines, a tropical archipelago with 7,100 islands, covers a land area of 30 million ha. Of this, 15.8 million ha is classified as forest lands and 14.2 million ha as farm lands.

With the highly unequal distribution of ownership, about 8.1 million ha of these lands was the target of the Comprehensive Agrarian Reform Program, with 3,825,142 farmer beneficiaries from 1972 to 2005. The Department of Agrarian Reform (DAR) and Department of Environment and Natural Resources (DENR) report a total completion of 6.4 million ha, or 79% of the target during the period.

Philippine agriculture is viewed as a combination of small, medium, and large farms, with rice, maize, coconut, sugar, livestock, and poultry as the dominant products. The 2002 agriculture census reports 4.8 million farms in the country, covering 9.7 million ha of land. Most of the farms are small, with 2 ha per farm on average. These are predominantly conventional farms ranging from subsistence to commercial production and utilizing high yielding varieties and livestock breeds and extensive synthetic chemical inputs. Seasonal indebtedness is endemic in smallholdings.

Agriculture plays a substantial role in the economy, being the single biggest productive sector, with direct employment reaching 11.63 million in 2005, or 36% of the country's total employment. If all agricultural and agriculture-related jobs are considered, the sector accounts for as much as 70% of total employment. Its contribution to GDP in 2005 was about 19%; but if all agriculture-related activities and food produced for subsistence are considered, this increases to 75%.

The agriculture sector is typically described as in crisis, with a significant decrease in productivity, high production costs, and low government support as major trends.

Status of organic farming

The organic industry is considered to be in its formative years, and there is no single, integrated organic sector. With government support (i.e. education, research, and extension) still principally for conventional agriculture, organic agriculture has been in the hands of

the private sector, non-governmental organizations (NGOs) and people's organizations or cooperatives. Scattered across the country are small-scale and non-governmental projects and initiatives.

There also is no aggregate study on the scope of organic agriculture in the Philippines. Data are mostly derived from case studies prepared by development NGOs and their partners. The Philippine Council for Agriculture, Forestry, and Natural Resources and Development (PCARRD) estimates that as of 2005, the land area under organic management in the Philippines was 3,500 ha, with about 500 organic farms.

Nonetheless, the information gathered by the NGO MASIPAG from its member organizations reveals that as of 2005, there were about 6,099 farmers who were fully adopting organic rice and maize farming on about 4,217 ha of land. According to the combined data from PCARRD and MASIPAG, 6,599 farms/farming households with 7,717 ha managed organically account for less than 1% of the agriculture sector and of the total combined area of rice and maize land.

Domestic organic crops such as rice, maize, vegetables, and root crops are largely produced by small-scale farmers. Their farming systems are usually more diversified and are integrated with a few head of livestock (pigs, goats, carabaos, cows, and chickens). Organic farming inputs such as fertilizers, foliar sprays, and microbial soil preparations are sourced and made from local indigenous materials.

Meanwhile, organic crops for export are mainly bananas, mangos, coffee and sugarcane, and are largely produced through grower arrangements among community-based organizations, agricultural cooperatives and development NGOs or private corporations/associations. Agribusiness companies usually employ single crop cultivation and use commercial organic fertilizers and inputs.

The early development of organic farming

In the 1980s, worsening rural poverty prompted many social development groups to implement projects in sustainable agriculture and appropriate farming technologies, such as the sloping agricultural land technology (SALT) of the Mount Carmel Baptist Rural Learning Centre, compact farming of church-organized groups, low external input sustainable agriculture, bio-dynamic farming, and others.

MASIPAG started in 1984 as a farmer-NGO-scientist partnership project with the aim of encouraging small rice farmers to adapt or develop their own appropriate farming technologies, practice farmer-to-farmer extension, and have access and control over production resources such as seeds and technology through community seed banks. The spread of MASIPAG, driven by its farmer-trainers, was facilitated by the farmers' desire to acquire seeds and technologies appropriate to subsistence farming conditions.

The MASIPAG rice cultural management practices, coupled with seeds made available by the group's rice conservation and improvement program, proved to have a long-lasting

positive impact on farmers' practice of organic agriculture in the Philippines. A participatory research project done in 1981 by the Agency for Community Education and Services (ACES) Foundation on the impact of high-yielding varieties on small farmers found that farmers were better off in the 1970s using traditional methods than under the Green Revolution with its high yielding, high-input varieties.

In the 1990s, sustainability and the social dimensions of alternative agriculture became important aspects of rural development and thus the term Sustainable Agriculture replaced what used to be called Organic Agriculture in earlier years. Many farmer organizations and NGOs further emerged and engaged in the development of alternative farming technologies; they included: the Organic Producers and Trade Association (OPTA), BUGAN ECO-MOVEMENT, Philippine Development Assistance Program (PDAP), Regional Organic Agriculture Development (ROAD Network), Sibol ng Agham at Teknolohiya (SIBAT), KOOL-NE, ALTERTRADE, Technical Assistance for the Development of Rural and Urban Poor (TACDRUP), Sustainable Agriculture Center (SAC-XU), Don Bosco Foundation for Sustainable Development Inc., Alliance of Volunteers for Development Foundation (AVDF), Pambansang Kilusan ng mga Samahang Magsasaka (PAKISAMA), Gratia Plena and South East Asia Regional Institute for Community Education Inc. (SEARICE). Many international donors supported these new, different initiatives.

From 2000 onwards, the awareness of organic agriculture grew further as the national government started field trials of genetically modified maize and other crops and later allowed their commercialization. Local government units collaborated with development NGOs to promote organic agriculture in their areas, such as those in Bohol, Bukidnon, Cotabato, Negros, and Quezon. More farmers have converted or are in the process of converting to organic agriculture. In addition, independent small- and medium-scale producers have organized weekend organic markets targeting the middle and upper classes in Metro Manila and key cities around the country. Some initiatives worth mentioning are: the Organic Town of Baras, Rizal, the 'Organic Food Island' of Negros, the 'Go Organic' movement in South Cotabato, development of bio-dynamic rice in Magsaysay and Surallah (also in South Cotabato), Valencia, Bukidnon as the 'Organic Rice Capital', and Bohol as a 'GMO-free' province.

Market Development

The total organic market in the Philippines is relatively small. In 2001, exports were estimated to be P 250 million or US\$6.2 million, and by 2003 may have exceeded US\$10 million. The domestic organic industry is around P100 million, with a trade estimate of 10-20% annual growth, while imports are estimated to be about P150 million. It is also reported that the demand for organic products will be far greater than local production.

The major domestic organic product in the Philippines is rice. Other products include upland vegetables, papaya, traditional wines, and herbal supplements. Some 20% goes for the producers' own consumption, and the rest is sold directly in markets. Small farmers are usually formed into groups and most are associated with NGO-assisted social enterprises, especially for root crops, fruits, and vegetables. Processed organic products of these groups include jams, catsup, local wines, and purees.

Herbal supplements also have an increasing share of the market, accounting for an estimated equivalent of 5% of the total spending of Filipinos on synthetic drugs, about US\$1 billion annually. Currently, imported herbal supplements are in brisk demand. The most common herbal sold in the country is the bitter gourd (*Momordica charantia*), followed by herbal personal care products such as papaya-based soaps and astringents. The country is capable of developing into a leading grower of medicinal plants, given its rich biodiversity and traditional use of herbal medicines.

Meanwhile, fresh bananas, banana chips, virgin coconut oil and coconut chips, vinegar, muscovado sugar, coffee, and asparagus are the major organic products exported by the big producers from Visayas and Mindanao. These include banana growers' associations, coconut producers' federations, herbal manufacturers, and mango exporters' associations.

Banana is the largest export crop. Certification of organic exports is provided by European certifiers such as the Institute for Market Ecology (IMO, based in Switzerland), Naturland (Germany), and Ecocert (France). IMO is accredited for organic certification by the Swiss Accreditation Service (SAS), the USDA, and the Japanese Agricultural Standards (JAS).

Annually since 1997, the Center for International Trade and Exposition Mission (CITEM) of the Department of Trade and Industry has been hosting the BioSearch Exhibitions for the promotion of organic products. This has allowed small growers and manufacturers to display and promote their organic products.

In general, organic products are a mixture of a focus on local informal markets, where producers are free to label their product as organic, and those that require certification. This is due to the lack of consumer awareness and enforcement of government regulation in the marketing of organic products. Most local organic consumers still are not knowledgeable about standards and certification and still choose products on the basis of labeling. Only a few producers are certified, and the single accredited certification body is still in a weak formative stage. This situation has persisted until the present, when there is already a national policy for organic certification under EO 481 (Promotion and Development of Organic Agriculture in the Philippines). It is still too early to tell the impact of certification on market trends.

At this early stage, the expansion of the organic market and consumer promotion are still in the hands of development NGOs, farmer organizations, and associations like OPTA, ALTERTRADE, Rizal Dairy Farms, UMFI, MASIPAG, PDAP, Gratia Plena, and Don Bosco, among others. The same groups, along with CITEM, PCARRD, OCCP, and small corporations, are also responsible for the penetration of Philippine organic products in the global market.

Regulatory framework

In 1996, the initial efforts of FOODWEB (an informal network formed by members of IFOAM from the Philippines who attended the 1995 IFOAM-Asia Conference in Seoul, Korea) and later those of the Organic Technical Working Committee to draft the Philippine Basic Standards for Organic Agriculture and Processing paved the way for the development of a national organic certification program. Key persons from MASIPAG, OPTA, Gratia Plena,

AVDF, Center for International Trade Exhibition Mission, FOODWEB, Rizal Dairy Farms, Herbana Farms, AGTALON, PDAP, and UPLB constituted the Organic Technical Working Committee. The draft document went through a series of sub-national (Luzon, Visayas and Mindanao) and national consultations and workshops and was presented during BioSearch 2000. FiBL and BioInspecta conducted training on Capability Building on Organic Certification and Inspection, which was attended by 40 key OA delegates from all over the country in December 2000. FiBL and BioInspecta also reviewed the Organic Certification Standards of the Philippines for harmonization with international standards.

In early 2001, a team of experts drafted the Manuals of Operation and Certification and Inspection. The drafts were reviewed during a workshop held in May 2001. During this workshop, the Basic Standards was renamed 'Certification Standards of the Philippines' and the certification body was called 'Organic Certification Center of the Philippines (OCCP)'. The manuals were presented and the OCCP was officially launched during the National Organic Agriculture Conference held in June 2001.

In 2003, the Bureau of Agriculture, Fisheries and Product Standards took charge of standards development and accreditation of local certifying bodies in the Philippines. Recently, the Department of Agriculture has accredited OCCP as the first certifying agency for organically agricultural products in the country (SAGA, Feb 2005).

Organic agriculture policy

In December 2005, President Arroyo issued Executive Order 481 for the Promotion and Development of Organic Agriculture in the Philippines and in August 2006 the Department of Agriculture, through the Bureau of Agriculture and Fisheries Products Standards (BAFPS), formulated and issued the Implementing Rules and Regulations (IRR) to carry out the provisions of the said Executive Order. EO 481 hopes to establish an organic agriculture program that will adopt and develop organic product markets, the education of more and more farmers, the extension of assistance to individuals and groups who are practicing and promoting these methods, and documentation and evaluation of the programs.

The EO and its subsequent IRR are seen both as major opportunities and challenges to the organic agriculture industry. Some provisions, specifically the minimal representation of the farmers and the manner of selection of the National Organic Agriculture Board (NOAB) and the National Technical Committee (NTC), are seen as downsides for small farmers, as there will be limited involvement for the organic practitioners at the policy level.

The implementing rules and regulations also fail to recognize the validity of farmers' groups doing their own internal guarantee systems. This is seen to be detrimental to the growth of the industry that is driven more by the efforts of small farmers and NGOs who cannot afford third-party certification. Furthermore; the policy on GMOs by the government is seen as undermining their sincerity in promoting organic agriculture.

Organization and Structure of the Organic Sector

Although the organic industry is still fragmented, efforts to consolidate and strengthen the organic sector are being made, with stakeholders taking advantage of the opportunities presented by EO 481. PCARRD has just launched the Phil-Organic Website and invited the major stakeholders to make the site a databank for organic information and a link to other stakeholders. There also are NGOs with projects on the promotion of the organic industry.

Supporting Structures

The organic stakeholders, especially the development NGOs and organized groups, provide interventions in the organic chain of production, processing, marketing, and policy in terms of education, training and capacity development, technology and research, support mechanisms and services and pilot or field projects.

For instance, MASIPAG has nine farmers' groups involved as pilots in its MASIPAG Farmers' Guarantee System, which provides organizational and enterprise capacity-building support in addition to setting up local participatory guarantee systems. PDAP and Peace and Equity Foundation (PEF) have also collaborated in bringing together industry stakeholders to develop a strategic road map, which they expect to oversee the long-term development of the industry and to serve as a platform where different sectors can collaborate.

A credit window has also been established by agricultural credit provider Quedan and Rural Credit Guarantee Corp., together with PDAP, aimed at providing regular credit and other support mechanisms to improve organic rice farmers' in three identified pilot sites in Agusan del Sur, Negros Occidental, and Camarines Sur.

Lessons learned:

- The focus on seeds in the rice conservation and improvement program proved to have greater and longer-lasting impact on farmers' practice of organic agriculture in the Philippines.

Serbia

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Agricultural conditions

Serbia's climate offers favorable conditions for mechanized field crop farming and vegetable production. Farmland constitutes 70% of the total area of Serbia. The major crops are wheat, barley, maize, sugar beets, sunflowers, soybeans, tobacco, potatoes, grapes, berries, apples, and plums, and the hilly parts are attractive for sheep and cattle production. Approximately 44% of the population lives in rural areas and 17.3% of the total population is engaged in agricultural production. Primary production and processing together account for 25% of the GDP, which makes agriculture the largest sector of the economy. Primary agricultural products account for 16-17% of total exports.

The transformation of the agrarian economy in Serbia is characterized by a marked decrease in participation in the social/state sector, stagnation of the cooperative sector, and a dynamic increase in the private sector. Near the big industrial centers, agriculture is well developed with specialized production, while over 75% of the private farms are fragmented, non-market farms with mixed production on less than 5 ha. The average age of the farmers is increasing, the level of farmers' agriculture knowledge is low, and farms usually have incomplete mechanization.

Organic agriculture

There are no official data on organic production in Serbia, but an estimate by certification organizations reported 72 certified operators in 2006. Around 14 of them are working with wild products. Organically certified land is approximately 2,411 ha, 0.14% of arable land, and 2,155 ha is under conversion. Certified land area for wild production (berries, mushrooms and herbs) is approximately 450,000 ha, which represents 12% of total non-agricultural land. However, the figures are unreliable since different certification organizations are certifying the same regions and operators for the same or different products.

The most important organic products in Serbia are wild and cultivated fruits and berries. Exports consists primarily of frozen berries (raspberries, strawberries, blackberries and blueberries) and smaller amounts of frozen and dried plums and sour cherries, organic certified jams, sweets, apple concentrate, vinegar, and juices. The main regions for organic fruit production are Central and South Serbia, where the most important organic certified

cooling plants are located. The cooling plants gather farmers into grower groups, between 15 and 600 farmers per group. A few companies deal with wild and cultivated dried medicinal and aromatic herbs for export. The collection of certified organic wild mushrooms also is well developed, primarily in the southwestern parts of Serbia. Frozen, salted, and dried wild mushrooms are major export products. Donors and investors are very interested in further development of organic fruit production in Central Serbia.

In the region of intensive agriculture, organic cereals like wheat, maize, barley, and oats, as well as pumpkins, oil beets and sunflowers are well developed. The main organic products are flour, dried pumpkin seeds for human consumption, oils, and creams. Several big companies and farms have contracted for export. These crops are produced on units of 100 to 300 ha, which is big for Serbian conditions, and the operators have individual certificates. Certified organic vegetable production is relatively small. Fresh, frozen, and preserved vegetables as well as ground red peppers are mainly exported, but some fresh vegetables are placed on the domestic market as well. There are no examples of organic certified livestock production. The operators mainly are individually certified but there are also a few examples of grower group certification.

The conclusion is that the possibilities for further development of organic production are great, and it can be expected that organic production will increase in the future.

The early development of organic farming

In 1990 the Association Terras was established by producers, farmers, advisors, and professors in the municipality of Subotica. This NGO started to work as a part of the Open University and did a number of actions with the objective of promoting organic farming and a network of the municipality, similar NGOs in the region, and the Ministry. The main problem was that these actions were related just to the Subotica municipality or the Vojvodina region.

Between 1991 and 2000 economic sanctions on Serbia introduced by the international community blocked any serious development of organic agriculture. In 2000, a law on organic production was announced. This law provided that authorized organizations, including state inspectors, could make inspections, and that the Ministry of Agriculture, Forestry and Water Management was the single authority that could issue certificates. The Ministry had neither the human nor the technical capacity to implement the law, and bad organizational solutions blocked any private initiative in the development of organic production.

The year 2000 saw an end to the economic sanctions. Immediately after the democratic government was elected, a number of investors, buyers, projects, and donors came to Serbia and brought investments, knowledge, projects, organization, export market possibilities, etc. Most of them recognized the potential of organic production and strongly supported its establishment. New organic associations were created, such as farmers' associations and local and regional associations for rural development, regional cooperation, and promotion of organic production. Foreign buyers and investors organized local companies and farmers to work according to organic principles, and several companies started to work with organic production for export. The main problem with such support was that no one was interested

in the small farmers of the rural areas producing for local markets. The buyers were focused on export products.

A part of the new law was announced in 2002 and a national conference was organized with the objective of promoting organic farming and bringing all local initiatives together. The Ministry organized training in 2003 for potential organic farmers. At a new national conference in 2004, the main conclusion was that the state should adopt new legislation for organic production. After this conference, the government established subsidies for organic production and a committee was authorized to prepare a draft of a new organic law. Another decision was that it was too early to build an organic farmers' association. The new law on organic production and organic products was announced in July 2006.

Market development

Certified organic products are exported primarily to the EU (especially Austria, Germany and the Netherlands) and the USA. The exporters are cooling processing plants, companies involved in wild collection, and traders, and usually have long-term contracts with foreign buyers.

The domestic market is small and invisible. Only around 1% of certified organic production is sold in the domestic market. A permanent green market for fresh vegetables and fruit exists in Subotica and Novi Sad where organic products also are sold. A house delivery system of organic products exists in Subotica. The green market spaces for fresh organic products have more promotional than economic value. A small amount of processed products (flour, tea, oil, and cream) are sold in health food shops. Certified organic oils are also supplied to supermarkets. There are no uncertified organic products sold in the domestic market.

Consumer awareness

All studies have shown that the Serbian consumers are ready to buy organic products and to pay more for certified organic food. Consumers choose and pay higher prices for locally grown fruits, vegetables, meat and milk products, and products from specific regions because they know that no chemicals are used. Supermarkets, health food shops, and ethnic and fancy restaurants are permanently searching for organic products, but they are not interested in organizing and introducing farmers to organic production. This is one of the main reasons that the domestic market is not as developed as the export market.

Except for the permanent NGO Terras' promotional activities such as the Bio festival, there are no promotional activities. It is necessary to increase local stakeholders' organizational capacities related to the marketing approach.

The role of standards for market development

There are many different labels and brands like natural, eco, bio, etc, some not having any connection with organic production. Only a small number of consumers care, and the authorities have no capacity or desire to prevent fraud. The government is now planning to introduce a common organic label that will be mandatory for all organic products with the goal of introducing consumers to organic products and separating organic from non-organic

products. This initiative would contribute to the development of the domestic market. It is not clear, however, when the implementation of this regulation will start and how it will function in practice.

Regulatory framework

The new law on organic production and organic products was announced in June 2006. The most important actors in organic production in Serbia, including consultants, certifiers, professors, researchers, producers, ministry officials, and NGO representatives, were involved in its creation. The standards have been written but have not yet been announced. In the meantime, EU certifiers, Ecocert, BCS, Ceres, KRAV, and IMO are still certifying organic operators in Serbia. Certifiers use their own standards, and local or regional trained inspectors do the inspections. The certification organizations authorized by the Ministry to do organic inspection and certification are the Organic Control System (OCS), Subotica, Jugoinspekt, and Novi Sad.

Big farms, processors with their own land, and wild production operators are certified individually. Grower group certification for small farmers is cheaper and was initiated by NGOs or by big companies. Almost all EU certification bodies that work in Serbia accept grower group certification in rural areas.

One critical factor for successful standard and certification development at all stages was the absence of knowledge and cooperation. After the sanctions, institutional conditions for agriculture were bad and production remained at a low level. The present Serbian government worked primarily with the goal of improving the general conditions for agriculture (credit lines for farmers, subsidies for different products, creation of market oriented farmers, etc.). Several measures contributed to agricultural development but not specifically to the development of organic agriculture.

Role of standards

Domestic standards are needed to increase general awareness about organic production and nature protection. Then organic production will be included in the institutional agricultural framework and the level of knowledge will automatically increase. The subsidy system could be improved and the farmers would benefit through better farm planning, documentation, etc. With domestic standards, new initiatives related to domestic market development also will appear. Some municipalities and regions will use local standards to certify large agricultural areas where there are small farmers and traditional production.

Organic agriculture policy

There are no specific measures that discriminate against organic agriculture. Import of GMO seeds and growing of GMO plants are not allowed. There are no measures to support the use of synthetic fertilizers, herbicides, or insecticides.

In 2004 the government introduced subsidies for organic and in-conversion farmers, associations, and cooperatives, with 40-50% of certification costs covered by the state. The Ministry also covers 40-50% of the costs for regional cooperation, establishment of organic

demonstration farms, and educational activities. However, only one association (certification) and three municipalities (education) received state financial support in 2006. The main reason that operators could not utilize the subsidies is that the farmers are not directly involved in certification, while companies could not apply for subsidies. Future measures should be better adapted to the local reality and conditions. Some USAID programs are supporting processors who want to enter organic production, and contribute 40-50% of the certification costs.

The major driving force in organic agriculture policy development is the government itself. The Ministry developed international and regional cooperation with the goal of increasing the level of knowledge of public officials and improving the institutional framework for organic production. In several cases the Ministry representatives are in contact with important organic actors such as NGOs, certifiers, consultants, and professors, but the most important decisions were taken without consultation with these organic actors. A consequence of this state-driven development is that some good initiatives failed. An action plan and a strategy for organic production would benefit the development.

Organization and structure of the organic sector

All parts of the organic chain are present but not connected; therefore the sector is completely unorganized, which causes a lack of coordination and cooperation among different projects, activities, and stakeholders. The donors are not interested in supporting organization of the organic sector. The farmers' associations that exist are focused on production and are not strong enough to organize or promote the organic sector. The main actors are therefore companies that do not have an interest in organizing the sector.

Supporting structures: Research, education, extension

Only one scientific project, financed by the Ministry of Science, was implemented in 2000-2003 by the Agriculture Faculty. The main outputs were the organic conference held in 2003 and a book printed in 2005. There are no serious field research projects.

Organic production is not part of the educational system. The Ministry is a partner in the regional organic project implemented by IAM Bari. Its main outputs are a number of experts who visited the Institute in Bari and the development of an integrated protection program for fruits and vegetables. Different foreign projects are focusing on farmer education. Most of them just present organic principles. The Ministry is supporting the education of farmers, and in 2006 three short-term educational projects were approved by the Ministry.

Local stakeholders have a low knowledge of organic agriculture. The extension service is based on old methods and is not functional. There is a plan for reconstruction of the extension service. At the moment, all persons, companies, institutes, faculties, and NGOs that can prove that they have passed good training for organic agriculture can be advisors and are on the Ministry's list of advisors.

Lessons learned:

- In the early development of organic production in Serbia the main actors were companies, traders and investors; they made organic take off and increase.
- The negative consequences of this are that that the organic sector is not organized, the domestic market does not yet exist, and the level of organic knowledge is low. Organic production is the privilege of economically strong companies, and the benefits of organic are not available for small farmers.
- The development of the domestic market is weak because of lack of organization of the production, lack of promotion, and weak exposure in the media. Other obstacles are the absence of standards and successful certification organizations, and the lack of advisory service.
- It is necessary to increase local stakeholders' organizational capacities related to the marketing approach.
- The main task in the near future is to merge all local actors into one cooperative chain and to create institutional conditions for the further development of organic agriculture.
- A common organic label, transparent work on certification (a list of allowed inputs), transparent companies and certifiers, and strong promotion would favor domestic market development.
- Government initiatives to support organic agriculture need involvement of stakeholders to be successful.
- An action plan for organic agriculture would benefit its development.

Southeast Brazil - The Ecovida Network

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Agricultural conditions

The southern region of Brazil (Paraná, Santa Catarina and Rio Grande do Sul), although only about 7% of the national territory, accounts for 18% of the GDP, and its population is 17% of the 186 million Brazilians. Except for north Paraná, which is tropical, the rest of the region has a subtropical climate, with the lowest temperatures in the country. In the coldest high areas the Araucaria forest predominates, while in the lowest the pampa pastures and along the coast the Atlantic rainforest dominate.

The modernization of agriculture in Brazil started in the southern states, intensively in the 1970s, with negative consequences such as monocultures with loss of genetic diversity, especially agrobiodiversity, along with intense soil erosion, contamination of water, animals, food and humans, loss of capital in the rural sector, and the social devaluation of agriculture.

Family farming accounts for about 90% of all farms in Southeast Brazil. Of the rural sector's contribution of 30% of GNP, about one-third comes from family farming and its production chains. Tobacco, maize and soybeans are the main export cash crops. Chicken, pork, and beef also are significant export items from family farms. Rice, cassava, beans, pumpkins/squash, fruits and vegetables are important for subsistence and the domestic market.

Organic Agriculture

The data on organic farming in Brazil are very dispersed, inconsistent, and incomplete. Brazil is supposed to have 887,637 ha under organic cultivation. Organic farming accounts for 0.34% of the total area under agricultural production, and the estimated number of organic farmers is 14,000. Statistical data about the Southern Region are even harder to find. Many family farmers work organically but are not included in the statistics, either because they do not recognize themselves as organic, or they do not sell their products in the organic market, or because they are not certified by a third-party certifier.

A great diversity of products is grown organically for both the domestic and export markets. Crops such as soybeans, rice and maize, fruits (grapes and oranges), coffee from northern Paraná, and vegetables are the main products. There is a wide range of processed products available on the domestic market, especially orange, tangerine and grape juices. Tomato sauce and puree, different fruit jams, and cereal flours also are important.

On family farms, livestock are almost always part of the system: pigs, poultry (meat and eggs), and beef and dairy cattle. However, there is very little offer of animal products in the organic market, for two main reasons: (i) so far the rules regarding animal production in ecological farming are not clear enough; and (ii) the legal sanitary rules to commercialize products of animal origin require a high level of investment, far beyond the possibilities of family farmers.

This high diversity of production is part of the technological strategy of organic production in Southeast Brazil. Basic criteria are the preservation and dissemination of local varieties, intercropping and crop rotation, and integration of agriculture with animal production. For many years more rational management of the soil, the use of liquid biofertilizers to control insects and diseases, a strategy of coexistence with weeds, and the use of homeopathy to treat animals have also been part of the system.

The main organically grown cash crops for export are basically the same as those exported by the conventional market. It is in the domestic market that the higher diversity of products reflects more clearly a well-managed organic system. Usually the organic market offers indigenous species and varieties that are no longer commercialized by conventional agriculture. It is common in a farmers' street market to find 20 or 30 different varieties of beans, whereas the shelves of a supermarket offer only the three most common ones. Similar high diversity is found in maize, pumpkins/squash, tomatoes, chilis and green peppers.

The early development of organic farming

The first initiatives in organic farming, or agro-ecology¹, which is the concept used in the Southeast Region, date from the early 1980s as a consequence of the problems of rural areas. Agro-ecology was connected to the work of NGOs that for political and environmental reasons strongly questioned the technologies of the 'Green Revolution', and worked with

¹ Agro-ecology is in South-east Brazil used as a wider concept for organic farming

groups of family farmers. This characteristic of the criticism has linked agro-ecology with the social movements that were emerging as a result of the re-democratization of Brazil after two decades of dictatorship. These movements were fighting for land distribution and ownership, against the construction of dams, and in favor of rural workers' rights.

During the 1980s and 1990s numerous experiences emerged that connected ecological production with small-scale/home processing of such production, local markets to sell the fresh and processed products, and local and participatory systems to guarantee the ecological quality of such products. In 1998 Rede Ecovida de Agroecologia (REA - Ecovida Network on Agro-ecology) was founded after already having existed informally for some years in Southeast Brazil as a result of the historical situation. A few important aspects that led to the creation of REA were:

1. The need for and the feasibility of ecological farmers' groups and associations and NGOs supporting or providing consultancy on agro-ecology to mutually recognize and support each other.
2. The desire of the groups, associations, and NGOs to build up a network with no hierarchy and oriented by well-defined principles and objectives in order to promote agro-ecology.
3. The recognition that the guarantee of the quality of the production and products should be through participatory mechanisms; in other words, the responsibility to guarantee the quality of the products would be shared by family farmers, technicians, and consumers.
4. The need to have a brand name and a label that represented the Network vis-à-vis the market. The brand name on the products would characterize a series of actions or operations conducting to a product and would be used in promotional materials (t-shirts, caps, newspapers, magazines, folders, banners etc).

REA defines itself as a space where ecological family farmers and their organizations can communicate with supporting organizations and individuals who value the production, processing, commercialization, and consumption of ecological products. The Network functions with well-defined objectives and goals: to strengthen agro-ecology in its broadest aspects; to generate information and make it available for its members; and to create accepted mechanisms for credibility and guarantee of the production of its members. They focus primarily on making whole farms more ecological, including the people who work there and their social relationships. They also stimulate the formation of consumer cooperatives for ecological products, producer-consumer relations, and a mutually fair market.

As of 2006, REA has 24 regional 'nuclei' in different stages of organization, connecting 180 municipalities and including 2,800 farmers' families (around 14,000 persons involved in production). The families are organized in 290 groups, associations, or cooperatives, and there are dozens of small processing units and commercialization units for ecological products. Other members are technicians, professionals, and support and partner organizations.

REA is the connecting point for dozens of organizations that have been working with organic agriculture for many years.

Some results of the holistic design for organic development that these organizations are practicing include significant environmental improvement (decreased pesticide use, soil

protection, increased biodiversity), economical viability among farmer families (lower production costs, diversity of products, direct sales), and active participation of women in production activities, marketing, education, and organization.

A good example of its impact is the success of one of the organic farmers' organizations in legalizing a juice extraction method that permits inexpensive, high quality grape juice production without the use of preservatives. The technology is now widespread even among large-scale conventional processors and has led to overall reduced use of artificial food additives.

However, their experience has demonstrated that the transition towards agro-ecology cannot be limited to technological changes, but has to seek to redesign the whole agro-food system. Particularly in the south of Brazil, the fact that REA has put efforts into redesigning the systems of processing, certification, and sale of ecological products has played an important role in the success of this transition.

Market development

According to a study of REA from 2003, it is estimated that this network accounts for about 50% of the organic production and 80% of the organic farms in the south. For the producers, farmers' street markets are the most common system for selling. Members also export or sell to the public sector (public schools, hospitals, and restaurants) and other places, such as small shops and supermarkets.

Most of the exported products are also certified by an internationally accepted third party certifier. Table 1 shows the commercialization of members of REA in 2003.

Table 1: Places, amounts and relative percentages of ecological products commercialized by member organizations of Rede Ecovida de Agroecologia, in 2003

Places	Amount sold	Relative appr. percentage
1. Farmers' markets	R\$ 8,947,000.	27%
2. Export	R\$ 6,976,000	21%
3. Public sector	R\$ 5,855,000	18%
4. Supermarkets	R\$ 2,239,000	7%
5. Agro-industry sector	R\$ 1,434,000	5%
6. Wholesale and distribution of ecological products	R\$ 1,123,000	3.50%
7. Specialized shops	R\$ 1,111,000	3.50%
8. Other places	R\$ 5,585,000	15.00%
TOTAL	R\$ 33,270,000	100.00%

Source: Field survey – Project on commercialization of Rede Ecovida de Agroecologia

To sell to public institutions has proved to be an excellent alternative also to increase and spread the production from the agro-ecology system developed by family farmers.

For the family farmers in REA a successful strategy for commercialization was the refusal to accept a path that was considered the only one: because of the success of the street markets the natural way would be for bigger volumes to be sold to supermarket chains and, as a next step, for export. These steps have not been ignored, but the farmers made a clear decision that the possibilities of increasing the local and regional markets should be intensively explored. In practice it meant to increase significantly the number of organic family farmers' street markets, to open small shops owned by the farmers themselves, to create small consumers' cooperatives even in rather small towns, and to invest in the institutional (public) market. The results have been quite positive.

Today it is clear that besides being politically and ecologically more sound, selling to local markets increases the farmers' profits. The experiences of selling to big supermarket chains were quite frustrating because of the way those chains relate to family farmers, who have almost no power to bargain in these spaces.

The successful strategies of commercialization have been designed by organic family farmers' organizations and the NGOs that support them. In some places, the active presence of consumers also was an important support.

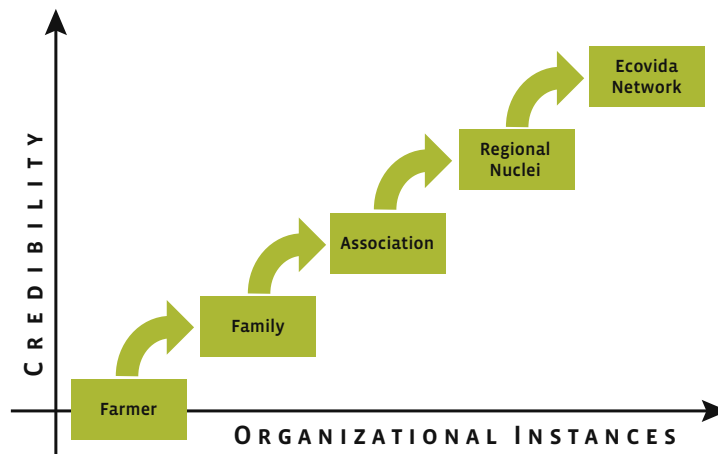
The main strategy to reach consumers has been to occupy all possible spaces in the media because of the growing interest in environmental issues, and especially in food contamination problems. Professionals, NGOs, and farmer groups made an effort in spreading information about organic farming as a solution to the apparent problems of environmental degradation caused by food production.

Regulatory framework

One of the main characteristics of REA is its Participatory Guarantee System (Certificação Participativa), based on a decision of farmers and consumers. For the network, Participatory Certification is a process to generate credibility that presupposes participation and is based on solidarity of all those interested in ensuring the organic quality of the final product and its production.

In Rede Ecovida de Agroecologia, Participatory Certification is given to the organic product and the credibility is generated by trust in the information given by the farmer family. The certification socially legitimizes itself, in a cumulative process, through the different organizational procedures that the family is part of.

In the certification process the first procedure is the declaration by the farmer and his or her family. The truth of the family's declaration is confirmed by the Ethical Committee of the group to which the farmer belongs. This group in its turn has its work confirmed by the co-responsibility and work of the Nucleus Ethical Committee of the regional nucleus to which it belongs. The products produced in this group are supported and confirmed by all other nuclei as they share common rules and keep minimum thresholds of functioning. This enables them to mutually recognize each other through REA.



Source: Meirelles, 2004

In a general perspective the work with organic agriculture has always followed the international standards of what organic means. More recently, the Normative Instruction (Instrução Normativa) 007, established in 1999, is the reference to define an organic product in Brazil. In December 2003, Law 10831 was passed, but so far it has not yet been implemented. In summary one can say that Brazil has never had a legal frame that regulates the production, processing, certification, and commercialization of organic products.

During the elaboration of the Brazilian law on organic products there was intense participation of different Brazilian actors involved with this sector. It focused specifically on certification and commercialization of organic products. This work had an effect, so that there is a space in the law for Participatory Certification. As a result REA has been invited to share their experience in Latin American countries, where it affects the way the organic certification laws are written.

Organic agriculture policy

The problems caused by the modernization of agriculture were what provoked a more ecological approach to agriculture. On the other hand, the government implements policies that have a negative impact on the sector, especially the much higher support to agribusiness in general and more specifically to GMOs. Official rural extension services, credit, and research, besides the agricultural industry itself, still exert a strong pressure on family farmers. In the conflict between those two opposing approaches regarding the model of development for agriculture, the organic sector is less able to have its opinions taken into account.

At a federal level there are a few governmental initiatives to support the sector. The Ministry of Agrarian Development, which is in charge of family agriculture and settlements of the agrarian reform, has a Program on Agro-ecology that ensures credit, rural extension, and research for the sector. Although it has existed only in recent years, it represents progress. The Ministry of Environment also has different programs that support family farmers in order to produce in a sustainable way, in harmony with the environment. Many of the beneficiaries of such programs are organic farmers. Ecovida Network has accessed money for training and agricultural extension services on agro-ecology, but not for institutional activities or for the agenda of the organizations.

The efforts of different actors (family farmers, their organizations, NGOs, and individuals within formal institutions interested in the issue) are what have stimulated the current design of public policies to support organic agriculture.

Organization and structure of the organic sector

In Brazil there are different levels of organization related to the organic sector. In the three southern states, Rede Ecovida de Agroecologia is the main one. National organizations such as ABA (Brazilian Association on Agroecology) and ANA (National Articulation on Agroecology) are also present in the south. Both focus not on organic farming but rather on agro-ecology, but they have among their members a significant portion of NGOs and farmers that work with organic agriculture.

The strength of REA is its holistic approach to organic farming, connecting production closely to the market, and creating producer-consumer relationships based on solidarity and awareness of health and the environment. Instead of developing and growing into a big national organization, one successful strategy of the REA organizations has been to work in local organizations that are not too big, to create strong local partnerships and develop the local market, at the same time serving as an example, spreading their experiences through larger networks.

The main image of agro-ecology is that it is a way to improve livelihoods in the rural areas and stop environmental degradation.

Supporting structures: Research, education, extension

The work with organic farming as a whole and especially in the south started and was developed through the efforts of NGOs and family farmers. It was not an issue included in government activities and policies. As time passed, rural extension and rural education systems started in a very timid way to incorporate organic agriculture as an option. In most of these systems that still is due more to the individual interest of some professionals rather than an institutional decision.

The main tool used by NGOs to spread the issue of organic agriculture was the theoretical-practical training both of professionals and farmers. This always involved studying the political issues and technical principles of organic farming system as well as visits to farms already working with this system, and farmer-to-farmer exchange.

Lessons learned:

- Diversified production for the local/domestic market is profitable for farmers and efficient to sustain agro-ecosystems and reduce pesticide use.
- Cooperation among farmers and between farmers/farmers organizations and NGOs is crucial to organic development.
- Organic production gives the best results when connected with processing, distribution, and marketing.
- Participatory certification has been a major tool for building trust in organic products and a basis for solidarity between producers and consumers.
- The generation and dissemination of knowledge and information is an important factor.

- The media and schools are strong tools for spreading information and increasing consumer awareness.
- Strong networks, common goals and approaches, and good examples give opportunities to work with the government on development of agricultural policy
- Efficient extension and education involves farmer-to-farmer exchange and theoretical-practical training both of professionals and farmers

Sweden

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Agricultural conditions

Swedish farmland amounts to only 2.7 million ha, about 7% of the total land area. The climate allows farming only part of the year, and agricultural conditions and production vary a lot from north to south. Animal husbandry is the dominant form of production. Structural developments in agriculture over the last few decades have led to fewer but larger farms; diversified medium-sized family farms are disappearing while production shifts to larger, more specialized farm enterprises. 67% of farms have more than 50 ha, and between 1990 and 2005 average farm size increased from 29 to 36 ha. Less than 2% of the economically active population is engaged in farming.

Agriculture production accounts for 0.3% of GDP (1% in 1993), and imports of food and agricultural inputs is larger than exports, which are 3% of total exports. Since 1995, when Sweden became a member of the European Union and part of the Common Agriculture Policy, sales of products have become a smaller part of farm income, while direct payments are the most important economic factor for a majority of farms. On the whole, profitability has decreased for all kinds of production, putting agriculture under great economic strain.

Organic Agriculture

With 19,000 organic farmers and 19% of its farmland managed organically, Sweden almost achieved the national goal of '20% organic farming in 2005'. The image of the organic farmer nowadays is that of a modern market-oriented agricultural expert prepared to meet the demands for high quality and environmentally sound food production. Organic agriculture in Sweden has developed in parallel with the general agricultural trend of structural change; the farms are growing in size, the number of animals is decreasing, and compared with conventional agriculture the average size of organic farms is even bigger, 60 ha. But in other ways their development differs; the average age of organic farmers is lower and the proportion of women occupied in organic agriculture is higher.

The growth of organic agriculture has been strong and steady since the beginning of the 1980s, but the biggest increase happened after 1995 with EU membership. With the stimulation of the different EU programs in combination with an expanding market for organic products, the organic area grew from 50,000 ha in 1994 to 510,000 in 2005.

Development of organic farms and farming area 1985-2005 (Source: Grolink)

Year	Area, ha
1985	1,500
1990	33,390
1995	86,824
1996	162,312
1997	205,185
1998	257,000
1999	315,000
2000	320,000
2001	325,000
2002	360,000
2003	420,000
2004	457,000
2005	510,000

Farms and farmers who comply with the EU standards are entitled to direct payments for organic agriculture under the EU environmental program. Certification and the use of a logo have up to now been considered a market instrument separated from the policy support schemes. Only about 40% of organic farmers are certified by an organic certification body, which shows the importance of market access to motivate paying the costs for organic certification. This situation has caused confusion, not least among decision makers, and after a heated debate the new support scheme from 2007 will grant organically certified farmers a higher payment than those who are not certified.

In 2005 grass and clover leys accounted for 48% of the certified organic area compared with 39% in conventional agriculture. Grain accounts for 33% (40% in conventional farming). The proportion of organic dairy cows is 6-7%, and for beef cattle 5.5%. Organic pigs account for 0.8% of the total production and laying hens 7.3%.

After a few years of stagnation, the organic market is again expanding strongly because of a new interest in climate, energy and environment issues as well as in health and food quality and safety. According to consumer surveys, 96% of the population recognizes the KRAV label and more than 60% of consumers are positive towards organic food and willing to pay a higher price. This shows a great potential to expand the market share, which in 2005 was 3%.

Since 1995, organic development has been conducted within the frame of national goals, the latest one being formulated as '20% organic certified production and 25% organic consumption in the public sector'. It is characterized by a few organizations pushing and lobbying and extensive stakeholder cooperation in organized forums.

The early development of organic farming

Before the 1980s, organic agriculture in Sweden consisted of a number of organizations working in isolation, each with its own concept and philosophy, working with similar

activities, trying to cover most areas. At an early stage marketing was an important issue, and the Saltå Mill and Biodynamical Products helped biodynamic producers, later also organic, sell their products. The Biodynamic Association is the oldest, with its centre in Järna; the Organic Biological Association and the Association of Natural Growers were the most important organizations and Saltå Mill and Biodynamical Products were early market actors. Cooperation under a common concept became necessary in the early 1980s for the sprouting political lobbying and the growing market interest. Alternative Agriculture was adopted as a common name, and the Cooperation Group for Alternative Agriculture (SAO) was formed by the most active groups of farmers and environmentalists. The SAO elaborated an agricultural policy, and partly pushed by the Consumers' Cooperative, KF, the biggest food chain, also started work on a common goal and standards, based on the IFOAM guidelines.

An increasing market demand and a rising interest among conventional farmers led to an urgent need to unite farmers, and in February 1985 the National Association of Alternative Farmers, ARF, was founded. The first task for ARF was to create a certification system, and two weeks later KRAV was born. KRAV was constructed to unite the different organic philosophies and practices under a common system of standards and certification, with a high degree of transparency and open to participation for all actors interested in the development of trustworthy certification of organic production. It was an important step to involve both market actors and the conventional farmers this way at an early stage of development.

Another strategy of ARF was to encourage and organize the market development and distribution of organic certified products. In 1985 the national umbrella organization for regional farmers' cooperative vegetable producers, Samodlarna Sweden, was founded. Similar cooperatives were established in the following years for organic grain, milk, meat and eggs. These farmers' cooperatives all worked with the aim of making organic products available in the mainstream food market.

The efforts to gain government interest and political support were an important part of the ARF agenda, and after several years of lobbying, in 1989 the Minister of Agriculture launched the first payment scheme to farmers. A chair for organic farming was established at the University of Agriculture in Uppsala and three national organic advisors also were installed. The political acceptance shown by this decision had a tremendous effect on further strategies and development, with ARF as the main voice of the movement. In 1993, ARF took a decision to lobby for a national target for organic: '10% organic in the year 2000'. In 1994 it was adopted unanimously by the Swedish Parliament. 'Action Plan 2000' was elaborated by the National Board of Agriculture with the involvement of the organic sector. The government adoption of the plan coincided with Swedish membership in the EU, through which Sweden got access to the development programs for organic farming, which made serious implementation possible. The successful development after the 10% target led to new national targets in 2000 and 2006.

In the early 1990s, the organic movement, including KRAV and ARF, changed the name from 'alternative' to 'ecological' to get rid of the niche image and to indicate that organic develops on its own merits as a model for all agriculture. ARF thus became the Ecological Farmers Association.

Market development

In Sweden there is a long and successful tradition of farmer marketing co-operatives. However, in the early stage of organic agriculture, from the early to mid 1980s, the traditional cooperatives were not interested. Since the vast majority of the members had conventional production they also were afraid that marketing of organic products would put their own products in a bad light. The organic producers therefore had to develop their own marketing structures. The pioneers were the growers of potatoes and vegetables who founded the first organic marketing cooperative in 1983, 'Samodlarna Värmland', followed by similar organizations in the rest of the country, and in 1985 'Samodlarna Sverige' for national coordination of sales within and between regions, but also for product quality, packaging material, and promotion.

In the late 1980s and early 1990s, similar cooperatives started for milk, meat, grain and eggs. They instead negotiated agreements with the mainstream cooperatives for processing and distribution. In the late 1990s, most of these activities were merged into the mainstream cooperatives and the organic cooperatives have either transformed themselves into interest groups for negotiations with the mainstream cooperative or merged with the national Ecological Farmers Association. Strategic development and marketing of the products to consumers was mainly taken care of by the retail chains, with the Consumers Cooperative, COOP, as an outstanding good example, as well as the largest dairy, Arla.

Working within the existing systems of processing, distribution, and retail has had big advantages. The efficient spread of organic products to the stores where consumers usually go made it easy for consumers to find them, and the demand has been growing in a way such that most products from an expanding production could be sold in the domestic market. The disadvantage has been the limited influence in price-setting and other conditions; globalization of the whole food chain has changed the market structure and made it more difficult for small-scale producers to work with. This has paved the way for new sales models in recent years, such as farmers' markets and box schemes. These direct sales are seen as a positive complement to the bigger sales channels, where the big flows of organic products still go, but they are increasingly popular, answering to the new consumer demands of identity, local production, and less transportation. This direct contact with organic producers helps strengthen trust and creates a positive interest in all organic products, including the more anonymous ones in the supermarkets.

Exports have not been very important for the Swedish organic sector, even though there have been exports of grain and some processed products for many years. Imports have played a fairly big role in market development, and it is notable that several cooperatives import organic vegetables and grain to maintain the supply to the market. Today, imports constitute 15-20%% of the organic market.

Consumer awareness building

So far no major national campaign for organic products in Sweden has been organized. Instead there have been many initiatives and projects through the years run by individual actors or by several actors in cooperation, producing and providing consumer information, e.g. the retail

chains, especially COOP. The Swedish Consumer Agency was assigned to inform consumers about organic agriculture, which had a very positive impact. Worth mentioning also are the consumer education projects 'Farmer's Ecology' and 'Eco-farmer in the store', run by the Ecological Farmers Association, and KRAV's work directed towards consumers. Despite some negative experience, the media have played an important role from the beginning, continually informing the public about organic in a positive way for many years.

Role of standards

It is interesting that it was a market actor, KF, already in the early 1980s that pushed the organic movement to build an efficient and trustworthy certification system so that they could market their products properly. Certification has been seen as a tool to communicate with consumers, particularly in the anonymous market, and KRAV has certainly been the foremost marketing tool during the first 20+ years of organic development. Although most consumers still have only a vague idea of organic agriculture, trust in the KRAV label is extremely strong and 96% of the population knows the label. Besides the obvious market advantages, the certification and standard-making process has had many other benefits, such as creating common ground and understanding among different stakeholders, increased knowledge about organic agriculture, distribution of responsibility among many different actors, and stringent communication of organic values.

From the beginning the big retail chains have all required KRAV certification of the products they sell, which has also made them active participants in KRAV. According to the EU regulation it is illegal to sell products as organic unless they are certified, but a small part of production is sold under the name of the farm or producer group, for example.

Regulatory framework

Before KRAV there were several different organic concepts, some involving certification with different models of standards and inspection. Trust in organics was low because of confusion and lack of a clear guarantee system. KRAV was founded in 1985 as a private control body with the aim of creating one common standard with a broad basis of stakeholder participation. The first members were four organic producers' organizations, the conventional farmers' federation (LRF), and the major food chain KF, but by 2006 membership had quickly grown to 28 organizations, ranging from organic and conventional farmers' organizations, environmental and animal rights organizations, to the food industry, trade, etc.

The first standards were developed by farmers, but in the period 1985-1995, standard development was extended to the growing number of stakeholders in KRAV. KRAV and Demeter were the two private sector bodies authorized by the government to carry out inspection and certification, and since there was government involvement at quite an early stage, the government decided that a government certification body was not needed. Of the two certification bodies, KRAV has played the dominant role in the market.

In the first years the work in KRAV was done by the board on a voluntary basis without a paid staff. Several of these 'certification pioneers' also became actively engaged in certification development in IFOAM, and KRAV was the first certification body to be IFOAM-accredited.

The unification of the organic movement under one standard and one logo, and the creation of trustworthy certification, have been major success factors in Swedish organic development.

Since Swedish membership in the EU in 1995, the KRAV standard has been subordinate to EU regulation 2092/91. This means that standard development in KRAV nowadays is more a question of interpretation of and adaptation to the EU standards. Still, to date KRAV owns its standards, which are stricter than the EU standards on some points. A criticism of the EU regulation on the part of the Swedish organic movement is that the so far very dynamic development of organic agriculture may be hampered in the future with the loss of influence from the private sector.

Third-party certification is the only model used in Sweden, and also the only one allowed under the EU law. However, many farmers, especially small-scale, are organic without certification, and discussions on alternative ways such as group certification and PGS have started recently.

Organic agriculture policy

During the early era of organic agriculture the general agricultural policy was focused mainly on productivity and income, with low priority given to sustainability. Subsidies and guaranteed sales and prices cemented the use of chemical inputs and monocultures while discouraging a change to organic. Since 1995, Swedish farmers have lived under the complex agricultural policy of EU – the CAP, Common Agriculture Policy. Lower prices to meet the agreements of GATT are partly compensated by subsidies and direct payments. This means that the prices of agricultural products reflect neither the real costs of production nor the long-term social and environmental costs.

Sweden for a long time has also had several national policies favorable for organic farming. Since the 1980s there are taxes on pesticides and chemical fertilizers, and an animal protection law was launched in 1988, strongly pushed by the popular children's book writer Astrid Lindgren. In 1999 the government launched 15 national environmental goals, each containing indicators and measures and reflecting society's impacts and consequences. This has been a step forward for organic agriculture, which now has a policy context to be referred to.

The first political action to support organic agriculture was taken in 1989, when the social democrat government decided to highlight environmental issues to win elections. The agriculture minister launched support to increase organic agriculture, including direct payments to farmers in conversion, an organic university chair, and three national organic advisors. Because of strong lobbying by the ARF, the payment was changed to a general support to all organic farmers and had a duration of three years. The payment was not spectacular, but during that time, production expanded from 6,000 to 40,000 ha and continued to expand even after the end of the subsidy. This shows that the effect of a political support does not lie only with the financial support.

Swedish EU membership and the introduction of the CAP coincided with the parliamentary decision on the 10% target, and the EU environmental program made it possible for the first time to elaborate a comprehensive national strategy for organic farming. Since 1995 organic agriculture has had continued financial support for production, research, extension, and market development. Organic agriculture is now an integrated part of the political agenda, and is recognized as an effective tool to work for the national environmental goals. The programs have been set up for 5-year periods, analyzing the effects between the periods. Looking back, it is clear that the agricultural programs were somewhat unbalanced, supporting mostly the development of production and not so much the development of markets. When the market is not growing satisfactorily, farmers will hesitate to convert their farms.

The policy work and lobbying done by the organic agriculture organizations have been crucial for the positive development. During the 1980s the SAO and later the ARF/Ecological Farmers Association in their policy program laid the ground for effective policy analysis and helped keep the movement united in the sometimes difficult details of the issues. Working with national targets and action plans has facilitated the development of strategies and has given the organic movement influence in these processes. They encouraged the whole private sector to build strategies around common goals, they brought a change in attitude towards organic agriculture in society in general, and they made politicians and market actors take responsibility and carry out their roles in organic development.

The policy work has often taken place in forums organized by the organic sector itself or the sector and government in cooperation. Despite periods of negative propaganda and criticism, the positive attitude of the latest agriculture ministers and individual officials in the National Board towards organic and the appreciation shown for the work and results of the organic sector have been important.

Organization and structure of the organic sector

From 1985 and during the next decade the 'new' Swedish organic movement organized itself on three 'legs': the ARF/Ecological Farmers Association, KRAV, and the market cooperatives, all with different roles and working closely in a network. ARF/EFA worked with e.g. agriculture policy, standards and certification development, competence building, consumer contact, and networking. KRAV's role has been mainly standard development, certification, and consumer trust building. The market groups at first worked with sales of products but later all except Samodlarna focused on developing organic lines in the big food processing firms. From the beginning these organizations created a common ground for certification, agricultural policy, and marketing, and still are important stakeholders.

The organic advisors participated very actively in the early development activities, contributing with experience exchange and competence, and so did some individual scientists at the University of Agriculture. The Swedish Society for Nature Conservation, SSNC, the biggest environmental organization, was an early promoter of organic and has worked closely with the organic movement for many years. Other important stakeholders were the retailers and an increasing number of processing companies, and lately the municipalities that go for

organic in the public kitchens. In the mid 1990s, government institutions started to take a serious interest and get involved.

The Farmers' Federation, LRF, which organizes most of the Swedish farmers, is an interesting stakeholder. LRF became one of the first members of KRAV, and in 1996 a formal and continuous dialogue between EFA and LRF started. These two events opened the door for acceptance and information exchange between organic and conventional farmers. Despite differences in views, LRF has participated in the whole development in a positive way, not least by recognizing the importance of certification. Today, several LRF board members are organic farmers and one staff person works half-time with organic.

A well-organized organic sector, common ground, and continuous discussion in relevant forums on the front issues have been and continues to be a great strength of the organic sector. As the sector grows it is not possible to keep all stakeholders together in one forum or organization, and a challenge is then to find new forms of communication. There are continuous bottlenecks to solve, and the best possibility to do this is through participation by those who are concerned.

Supporting structures: Research, education, extension

Good cooperation in education and exchange of experience between farmers and extension workers in the general extension system, e.g. courses, field days and group extension, has a long tradition in Swedish organic agriculture. Therefore the organic organizations did not build up advisory services of their own. Instead, extension for organic farmers developed within the existing extension organizations: the Agricultural Divisions of the County Administrative Boards (Länsstyrelsen) and the Rural Economy and Agricultural Societies (Hushållningssällskapen). In addition, several institutes and private organizations offer extension service, and the food cooperatives provide specialized advisory service for production of each commodity. The Biodynamic Association still has its own extension and training. Since 1995, a large part of the extension, training, education, information and demonstration projects have been financed through the Swedish environmental program. Extension within this program is offered free of charge. Regional programs are set up in all 23 counties with participation of the most important actors within the region.

Research in organic agriculture has been going on at the Swedish University of Agriculture (SLU) since the early 1980s, but other universities also have research relevant to organic agriculture. The Centre for Sustainable Agriculture, CUL, was founded in 1997 as a focal point for cooperation between organic researchers and stakeholders, and to coordinate a research program for organic agriculture. The Biodynamic Research Institute Foundation (Stiftelsen Biodynamiska Forskningsinstitutet, SBFI) is an independent institute at Järna. The major part of organic research is financed by national earmarked money through the Swedish Council for Forestry and Agriculture Research. This funding has been of great importance for organic development, but is a controversial result of lobbying and not at all stable.

The organic organizations' regular periodicals and newsletters with the latest information in their respective areas contribute a great deal to development of competence and improved organic practices.

Lessons learned:

- The establishment of a relevant organization structure (ARF, KRAV, market cooperatives) where the organizations shared roles and responsibilities, was more efficient than having similar organizations competing with each other.
- It was an important step to involve both market actors and the conventional farmers at an early stage of development.
- Unification of the organic concept under one standard helped build trust in organic products and was one of the most important factors for market development.
- Farmers have an outstanding ability to build trust as educators of consumers and should be an active part in information projects.
- The general food shops play a crucial role in enlarging the organic food market since they have the advantage of accessing the broad mass of consumers.
- Market diversity including models for direct sales are important for small-scale producers and can also serve as promotion for larger markets.
- Imports can be a good strategy to enlarge and ensure a growing domestic market for domestic producers.
- National targets and strategic plans are strong tools for organic development. The presence of other national goals or initiatives that are working for organic is beneficial. It is important that all relevant stakeholders be involved in the elaboration of such plans.
- Self-organized stakeholder cooperation in different forums created a solid common ground for organic and gave the organic sector a strong voice in all development areas.
- Organic farmers' involvement in agriculture policy, standard development and research planning and projects has been important.
- Dialogue with conventional farmers increases the possibilities for expansion of organic.

Thailand

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Agricultural conditions

Thailand has three types of climate; a savannah-type climate in the Northeast, North, and Central regions, a tropical monsoon climate in the Central and upper Southern regions, and a tropical rainforest climate in the lower Southern region. Once a predominantly agricultural country, the contribution of agriculture to the national economy has dropped from 25% to less than 10% in the last 20 years. Similarly, agricultural exports have fallen from a dominant role in bringing foreign income into the country. Despite these declines, agriculture production is still expanding and over 60% of the population, 5.1 million families, are still employed in the agricultural sector. The main feature of Thai agriculture has always been small-scale farmers. The average landholding is 4.0 ha per family.

Rice is the main staple crop, and its production occupies more than half of all farmland. Rice surplus beyond domestic consumption is exported and represents one-third of the agricultural export value. Fishery exports, both from wild catching and aquaculture, especially shrimp, have been the number one export activity. The second most important export commodity is rubber.

Organic Agriculture

Thailand's organic sector has probably passed early infancy and has entered the growth stage. Most organic productions systems are simple, without the use of sophisticated farming technologies or machinery. Most organic products are basic unprocessed commodities such as rice, fresh fruits, and vegetables. Increasingly, more intermediate processed products are being developed, such as sugar, tapioca starch, and palm oil. There are few finished processed organic products, as the raw material is usually insufficient to supply processing plants, and the supply often is not continuous. Also, the importers prefer to buy organic raw materials from Thailand and do the processing in their own countries in order to ensure high quality and lower import taxes.

Green Net and the Earth Net Foundation estimate that the area under organic farming increased to 21,701 ha in 2005, representing 0.1% of the total agricultural land. The number of farms also increased; 7,186 organic farms represent 0.14% of the total number of farms.

Organic Production in Thailand (ha)

Year	Rice	Field crops	Vegetables	Fruit	Other	TOTAL
1998	1,005					1,005
1999	882					882
2000	1,121		563			1,684
2001	1,584		563			2,147
2002	5,255		3,581		123	8,959
2003	7,475		3,562		123	11,160
2004	8,349	1,258	2,126	2,044	123	13,900
2005	17,328	1,077	2,375	799	122	21,701

Source: Green Net / Earth Net Foundations, 2006

The early development of organic farming

In response to the decline of agriculture because of excessive use of agro-chemicals and economic pressures, a group of farmers and local non-government organizations (NGOs) came together to establish the Alternative Agriculture Network (AAN) in the early 1980s to foster sustainable agriculture activism in Thailand. The AAN provides a discussion forum for sharing experience and policy advocacy for sustainable agriculture, including organic farming. This initiative had aroused interest among the concerned people in many parts of the country to engage in the promotion of sustainable agriculture for rural development objectives. Organic farming is seen as a form of sustainable farming practices, together with agro-forestry, mixed farming, and natural farming. Meanwhile, the growth of organic agriculture in the EU and the USA, especially the emergence of market opportunities, has created some interest for agribusiness to initiate organic projects in order to capture the early market niche abroad.

The development of Thai organic agriculture has occurred in two streams: the rural development-oriented and the business-oriented organic programs. In the first stream, the key stakeholders are farmers and NGOs, with limited support from local researchers. Their main goal is to support small-scale farmers in adopting sustainable farming practices in order to improve their livelihoods and agro-ecological conditions in rural areas. Their conversion strategies focus on raising farmers' awareness of the negative impacts of agro-chemicals and the undue dependency on external markets, and promoting indigenous knowledge of sustainable farming practices through seminars, research, study tours, and individual on-farm experiments. This approach had limited success, and since the early 1990s some NGOs started revolutionizing the strategies by incorporating economic (market) incentives and revising extension methods. A local organic certification body was founded to provide inspection and certification services to ensure better market access. This new approach has proven to be more effective, as a large number of farmers have joined in the organic programs.

The second stream is led by local entrepreneurs who have linkages to overseas markets. With such linkages, they (or their trading partners overseas) have noticed the emerging organic markets and see it as a business opportunity. As they normally lack knowledge on production, especially organic farming, they engage local researchers and government agencies in helping them with farmers' conversion. They also tend to use the services of foreign organic certification bodies suggested by their overseas trading partners. These pioneers are large-scale businesses with export facilities, however, and when the domestic market emerges, more and more small local businesses and entrepreneurs are coming into the scene.

The development of Thai organic agriculture has gone through ups and downs with the local and international political and economic environments. The collapse of the Thai economy in 1999 had both positive and negative implications, e.g. it encouraged more organic conversion as agro-chemical farm inputs became more expensive and Thai organic exports became more competitive, but it slowed down the growth of domestic markets because of tight financial conditions. The active engagement of the government in organic agriculture since the early 2000s helped to promote more farm conversion for both the domestic market and exports.

Market development

Overall, Thai organic agriculture has been growing at quite a steady rate, fueled by the expansion of export opportunities, especially in the EU and the USA in recent years. The strategies to support the expansion to satisfy the export market have been successful. Reliable sources of data on organic produce are hard to find. The situation is confused by the various standards or systems of certification for organic production and other 'safe' production with no organic certification. This has made it impossible to categorically differentiate between the two markets. Despite such limitations, Green Net and Earth Net Foundation have estimated the domestic market for certified organic in 2005 at US\$13.7 million (494.5 million baht), while exports were estimated to be around US\$11.8 million (425.9 million baht). The non-certified organic and health food market is much harder to quantify, but some have estimated it to be as high as US\$83.33 million (3,000 million baht). The local organic products carry price premiums of about 10-50%. The premiums have gone down as more producers offering new organic products enter the market.

Domestic market

The Thai pioneer organic producers in the very early phase were targeting overseas markets, especially the EU, because of the traditional trade linkage and because the domestic market was virtually nonexistent at the time. Domestic markets in Thailand probably began in the early 1990s, when Thai consumers became more concerned about health and environmental problems. Health food was introduced to local markets, which later expanded the concept to include safe foods, allowing organic foods to appear. However, because of active promotion of 'safe' conventional food by the Thai government, consumers were unable to differentiate this food from organic products. Efforts by local NGOs to raise consumer awareness about the differences and the benefits of organic food were met with hostility from some government agencies. Gradually, organic food began to gain ground in the domestic market. However, the collapse of the Thai economy in the late 1990s depressed the emerging market and hampered market development. A couple of years later Thailand began to see an economic recovery and

some signs of a revitalized growth of the local organic market, fueled by a combination of factors:

- the introduction of local organic labels, 'ACT' of the private sector and 'Organic Thailand' of the Department of Agriculture. The labeling allows traders to communicate better with consumers about the difference between organic and 'toxin-safe' products.
- the opening of supermarkets specializing in health and natural products
- the introduction of organic food into high-end mainstream supermarkets

The small independent health shops, although dominating the market during the early period, closed down in large numbers, especially since mainstream supermarkets started selling organic products. There are a few farmers' markets in some major provinces outside Bangkok, but direct sales are very limited. No public institutions have yet made a commitment to purchase organic products, although there has been a lot of discussion about the possibility with hospitals, kindergartens, and private schools. The key obstacles are the lack of regular and reliable supplies (especially for fresh vegetables), limited product variety, higher costs, and lack of commitment of the kitchen staff to accommodate the seasonal variation.

Consumer awareness

Only NGOs and organic traders have taken initiatives to raise consumer awareness. The media also have a keen interest in the issue and sometimes also take initiatives to promote organic products among consumers, although without coordination. There is no concrete initiative to educate consumers in a more systematic manner.

Regulatory framework

Many third-party organic certification bodies offer services to Thai producers. Two local bodies are the Organic Agriculture Certification Thailand (ACT), a private non-profit foundation, and the Organic Crop Institute, a public agency under the Ministry of Agriculture and Cooperatives. The government certification body offers a free certification service, but because of lack of international recognition it is used only for domestic markets. ACT offers its service on a fee-based system. Each has its own organic standards and labeling scheme. ACT offers the IFOAM Accreditation scheme as well as those of the EU, NOP, and JAS. Several foreign certification bodies are operating in Thailand, and a few have an office or an agent in Thailand. Only 25% of organic producers are certified by local bodies, the rest by foreign certification bodies, mainly EU-based agencies.

The National Office of Agricultural and Food Commodity Standards (ACFS) has set voluntary national standard guidelines for organic agriculture in an attempt to set up a regulatory framework compatible with the EU system. So far, however, no one has shown a strong interest in adopting them.

A large majority of producers are certified in a group certification system. There is one participatory guarantee system for a local producers' group in Chiang Mai.

The overall impact of having established an organic certification system is that it has facilitated access to export markets and, to a much lesser degree, the development of the domestic

market. The drawback of this is that many government agencies are overly preoccupied with the development of the whole guarantee system, i.e. standards, inspection, certification, and accreditation, and far too much resources were devoted to this, with less made available in much-needed areas such as extension, conversion supports, or consumer education.

Organic agriculture policy

General agricultural policies still favor conventional farming with subsidized agro-chemical farm inputs. The import taxes on these products are set lower than for other farm inputs. There also is an indirect subsidy of pesticides, e.g. distribution of free pesticides upon a perceived outbreak of crop pests and diseases, or to farmers participating in special extension projects. There has been strong lobbying by some Thai research institutions and private companies engaged in GM technologies to allow GMO crop production in Thailand. Some illegal field trials of GMO crops by research institutions also exist, already resulting in GMO contamination at the seed level for at least two crops, papaya and cotton. This will inevitably lead to further GMO contamination, endangering Thailand's organic development.

However, Thai consumers are aware of the danger of pesticide residues in the food chain thanks to the successful campaign of the public health organizations. This puts pressure on producers to adopt safer use of agro-chemicals. Also, the prices of agro-chemicals have risen and producers are further pressed to cut down their use and adopt some organic farming methods. The efforts by the royal family, especially the king, to promote a 'self-sufficient economy' concept has led to many sustainable agriculture projects, both pilot production and research projects.

The National Agenda's Organic Agriculture is a new government program implemented in October 2005. The 5-year program is aimed at supporting 4.25 million farmers (0.85 million in 2006) in using organic inputs instead of agro-chemicals, reducing total imports of agro-chemicals by 50% as well as boosting organic exports by 100% annually. The program's key strategy is to supply the market, especially exports, and the aims are to be achieved through various supports and intervention mechanism, including seminars, training, general promotion, and setting up organic fertilizer factories. 26 agencies from 6 ministries are involved in this program, which is coordinated by the Land Development Department.

The Santi Asoke, a Buddhist sect, has long been promoting 'non-toxic' farming, a system that does not use chemical fertilizers and pesticides. They have a strong influence on organic production, especially at the extension level.

A few international institutions play a supportive role in Thailand's organic agriculture policy development. The FAO regional seminar on 'Production and Export of Organic Fruit and Vegetables in Asia' and the IFOAM trade conference on 'Mainstreaming Organic Trade', held in Bangkok at the end of 2003, helped to increase the general interest in organic agriculture among public agencies and the private sector. In early 2005 the International Trade Center (ITC) project on 'strengthening the export capacity of Thailand's organic agriculture' had some additional impact on promoting organic agriculture among government agencies.

There was little input or consultation with key stakeholders in the policy formulation process; rather, politicians and bureaucrats hold the initiative and control the process.

Sector organization for organic farming

No specific organic producers' organization exists at the national level. Small-scale producers are organized at the local level, especially for the benefits of organic certification and logistic arrangements. The Green Net's producer network is the largest network of organic producers' organizations, representing around half of organic producers in the country.

The 'Organic Agriculture Society' is an informal group of individual government officials and researchers interested in organic agriculture, and serves as a forum for discussion and policy advocacy. Many of its activities are linked to the government's organic projects.

The Thai Organic Trader Association was founded in November 2005. Despite having fewer than ten members in the association, the founding members are the key players in organic trade, representing close to half the organic trade in the country.

The development of Thai organic agriculture has so far been driven by the private sector and NGOs. These play key roles in organizing organic conversion projects and marketing, making a major contribution to the growth of organic agriculture. The government may have played a supportive role through national regulations and some favorable policy activities.

The image of organic agriculture: The majority sees OA as a safe food production system with a good potential for export, while a minority see it as a rural development approach. NGOs see organic as a means for sustainable development (and wants strict rules and principles for biodiversity and monoculture, etc). Private businesses see trendy opportunities (and prefer more relaxed rules). Organic farmers are depicted as small-scale, traditional family farmers.

Supporting structures: Research, education and extension

No special mechanisms have been set up for supporting organic farming. The existing extension system run by government agencies is used. General agricultural extension services often are ineffective because of bureaucratic politics and inappropriate training methods, i.e. focusing on classroom lecturing. Also, most of the public agencies' training programs do not have a clear objective of supporting producers for certification. A more successful organic conversion program is the one developed by local NGOs with a combination of participatory learning and market incentives.

However, many research institutions see organic agriculture as a way to promote Thai exports and sustainable rural development. There are two streams of research, one focusing on evaluating the efforts of local producer groups, as well as assessing constraints and conditions for conversion, and the other on specific crop production technology with high export possibilities, e.g. organic rice, baby maize, and okra. Several educational institutions are currently preparing a curriculum for an organic or sustainable agriculture course for bachelor and master degrees, but none are available currently.

Lessons learned:

- Business does not want to invest in market development when there is lack of regular and reliable supplies, while producers want to see that there is an existing market before converting to organic farming.
- One of the main obstacles for consumer awareness is the resistance of government agencies, especially the Ministry of Agriculture and Cooperative, which has an interest in the expansion of 'safe food' and thus finds it difficult to accept that organic agriculture is superior to the 'safe food' scheme. It may be interesting to put organic agriculture in the hands of the Ministry of Environment or Public Health, as they may have more motivation to promote it.
- The labeling of organic products helped to promote local markets because it helps interested consumers to identify organic products more easily. However, the labeling does not help much in educating consumers who do not know about organic farming in the first place.
- Key obstacles for the public sector are the lack of regular and reliable supplies (especially for fresh vegetables), limited product variety, higher costs, and lack of commitment of the kitchen staff to accommodate the seasonal variation.

Turkey

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Agricultural conditions

Of Turkey's total population of 72.5 million inhabitants, 35% work in agriculture. The country has 7 geographical zones with different climates and natural conditions. Until recently Turkey was self-sustaining in food. This is not the case anymore, since the foreign trade balances turned in favor of imports. Nowadays Turkey imports a lot of food.

Turkey's GDP in 2005 was US\$ 361.5 billion, with an annual growth rate of 7.4%. However agriculture and agricultural population have fallen back from the general growth of wealth and capacity. The reason is the lack of a strong national policy, strategy, and physical infrastructure and lack of education in rural areas. Another factor is that many families have farms that are too small, a result of the high population growth in the past and the rules of property inheritance. The Turkish population with many different cultures and ethnic backgrounds offer both advantages and disadvantages.

Organic agriculture

In 2005 organic agriculture occupied around 1% of the 26 million ha agricultural land. The first organic export products of Turkey were dried figs, dried sultanas (seedless raisins), dried apricots, hazelnuts, cotton, and rose oil. In recent years olive oil, grains, chick peas, lentils, honey, anise, fennel, coriander seeds, pistachios, pine nuts, various fruits and vegetables, and milk and other animal products were added to the list. The variety of major organic crops is the same as for the major conventional crops. Value-added products like tomato paste, fruit juices, bread, olives, pasta, and jams have also been produced for both the domestic and export markets.

The early development of organic farming

Development of organic agriculture began in 1984-1985 with demand for organic raisins and figs, Turkey's traditional export products. Until 1990 only eight products were cultivated organically, whereas by 1999 the product range had gone up to 92. Organic land increased from 1,037 ha in 1990 to 44,552 ha in 1999, and the number of producers from 300 to 12,435. In 2005, land under organic certification was 175,000 ha and the number of farmers was around 12,000.

In the beginning the product range depended totally on the demands of western markets; therefore the largest share of production has been nuts and other dried products. As the local market grows, the product demands are changing, and accordingly there is increasing production and marketing of grains, oil seeds, fresh fruits and vegetables, some animal products, and value-added goods.

The first players in organic farming were a few European buyers, their local representatives, and contracted farmers. This situation did not change until 2000, when a strong initiative took place for creating a domestic market for organic. After a lot of media coverage, civil society activities and new regulations coming into force from that year on, there has been a great interest among the broad public to invest, learn, and become consumers of organic products. The domestic market for organic products in Turkey was started by the efforts of civil society, especially the NGO Bugday's initiative to set up the first organic stores between 1998 and 2002. The products sold in the domestic market at that time were mostly the dried products produced for export, sold at double the price of conventional ones. At first, wholesaling and distribution of organic products was also done by Bugday in cooperation with one of the largest export companies, Rapunzel Turkey.

A milestone was the Bafa Lake Congress, organized in 1999, where 80 active and potential stakeholders in domestic markets, including the Ministry of Agriculture and Rural Affairs (MARA), producers, business entrepreneurs and several NGOs, got together to discuss the theme 'towards a healthy organic domestic market' and to start focusing and playing their part in it. In 2002 there were already a couple of dozen organic stores that were not selling much but were functioning as educational points for the consumer. The same year Bugday started the first CSA, a direct sale system from farm to consumer. Several similar systems followed. In 2005 there were around 300 sales points all over the country, including corners at some supermarkets and specialty stores.

Bugday Association started the first 100% certified organic farmers' market in Istanbul in June 2006, another important milestone in the development of the domestic market in Turkey. The market is open every Saturday and for the first time has brought together an assortment of several hundred different organic products, directly from the producers. In October 2006 the market had 110 stands and around 1,200 visitors weekly, and got enormous attention in the local and national media. While Bugday sets the principles for an organic and a fair market model for Turkey, many other cities are now preparing their own markets.

Challenges for the organic movement are the lack of a national action plan and the lack of coordination among different stakeholders in organic production and consumption. MARA has started to coordinate the preparation of a National Strategy Document and published the first draft National Strategy document in May 2006.

Market development

Export market

Export of organic products in Turkey was built upon the existing infrastructure of conventional trading. Turkish export companies and producers are generally conventional traders of the same

product range (e.g. seedless raisin, figs, apricots) who organize and contract with the growers for organic production. Some foreign investments, such as the Rapunzel Turkey organic food industry and trading company, were generally formed with Turkish partnerships some years after development of export markets for Turkish products. Some of these companies have been trading only organic foods.

The main importers of Turkish organic exports in recent years have been European countries such as Germany, the Netherlands, the UK, and Austria, as well as the USA and Japan. Despite the interest from the foreign market, there have never been strong efforts from Turkish market actors to widen their export contacts by attending international trade fairs such as Biofach. Unfortunately the export market of Turkey has not been growing as fast as the consumption of organic products in world markets because of the lack of marketing strategies and the insufficient development of export products.

Domestic market

Even if export production has helped to develop production for the domestic market, the costs for conversion and marketing have been a big problem, especially for smallholders in rural areas. Even the availability of low interest credits and extra direct payments by the government has not helped the organic growers who do not have a market guarantee for their production. The main problem here is lack of a national strategy for developing organic production and consumption. Unfulfilled expectations of easily earning a high income ended up with around 3,000 farmers leaving organic production in the first or second year. As many stores opened and closed in a few months. However, several big farms (between 150 and 500 ha) have been converted to organic, creating many jobs for the local people. Another initiative for the organic sector arose when big investors stepped in, such as the media boss Aydin Dogan, who invested in an 800-cow unit for dairy production and is now selling the first Turkish organic milk.

Consumer awareness

A few years ago less than 5% of the population was informed about organic, and information is scarce and irrelevant. There also has been confusion about the terminology of organic. In the new legislation of 2002, after lobbying, especially by NGOs, the words 'Ekolojik', 'Biyolojik' and 'organic' are synonymous. This confusion and lack of promotion of the national logo made it quite difficult to introduce organic products to the public. Another obstacle is that the media generally have presented organic products as a high class niche market and unaffordable. The only concrete change in the public eye and even in the media's exposure has been achieved with concrete and successful projects such as the well-promoted 100% Organic Market in Istanbul.

Besides the private sector activities for the promotion of organic agriculture, the government has taken some concrete steps to support it, e.g. an obligation in the organic law saying that 'the Higher Board of the Turkish Radio and Television Corporation shall take necessary measures and initiatives to ensure that national, regional and local radio and TV stations broadcasting in the territory of the Republic of Turkey give space to educative programs about organic farming for at least 30 minutes a month'.

The role of standards

Organic products were never sold uncertified because of the efforts and control of the NGOs supporting the government by promotion of the organic standard, certification, and guarantee system among the public. This has been a strong principle since the beginning of domestic organic market development.

Regulatory framework

In December 1994 the first Turkish regulation for organic production came into force. It was prepared for countries exporting organic products to Europe to meet the standards of EC 2092/91. The Turkish standards have not been updated as often as the EU standards, but a partially revised regulation was introduced in 2002 just before Organic Farming Law 5262 came into force in December 2004. Following this, the new Regulation on 'Essentials and Implementation of Organic Farming' came into force in June 2005. In each stage harmonization of Turkish regulations with existing EU standards has been considered.

Currently there are nine certification bodies licensed and controlled by MARA, The Ministry of Agriculture and Rural Affairs, all operating according to the Turkish law and regulation and in line with the European standards. Several certifiers also do their controls according to Biosuisse, JAS, biodynamic standards, and the NOP, depending on the standards of the targeted market. All the certifiers are accredited according to EN 45011 or ISO 65 by either national or foreign accreditation bodies.

There is no group certification or participatory guarantee system functioning yet in Turkey. The certification of export products or raw material production for the food industry is generally organized and financed by the buyer who is contracting with the individual farmer. In this case the farmer gets a premium price of 5-20% and the control and certification cost is paid by the buyer or exporter.

The national symbol is mandatory under the organic law of 2004 for all organic products sold in domestic markets. It is quite similar to the EU logo but has a map of Turkey in the middle.

Organic agriculture policy

The general agricultural policy does not discriminate against organic. In the directive of 2005, several initiatives are implemented by the MARA. An area payment is granted to organic farmers on top of the basic payment that is a part of the Direct Income Support. National support schemes have also been available for farmers operating in nature conservation areas. A nationally funded 'Extension of Organic Agriculture' project is another measure. Under the project for implementation of the CAP, a Rural Development Program, prepared with the help of Europeaid, is likely to provide opportunities to support the development of organic agriculture.

Besides that, a special credit rate with a 60% reduction for all entrepreneurs in the organic sector has been available from the Agriculture Bank of Turkey since 2004. Data collection and

management associated with the control of OCBs was started in 2005 by MARA. It will provide information regarding land areas in organic production and quantities of production.

Many donors such as the World Bank, UNDP, FAO, GEF, GEF SGP, REC, DEFRA and MATRA have supported the development of organic production in Turkey. Organic agriculture has been either one of the main focus areas or a side theme as a tool to support nature conservation, rural development, and sustainable use of land and other natural resources. FAO has supported many events to bring together the stakeholders of organic agriculture in order to develop a strong network and capacity-building of the actors. With the support of FAO, an international consortium was formed to assist MARA in setting up the Turkish organic agriculture legislation, harmonized with the EU legislation and strengthening the capacity of MARA in regard to supervision, control, promotion, and extension of organic farming according to EU practices.

It is clear from all these strong and weak initiatives regarding policy development in organic farming that without a good National Action Plan there will never be a strong development in any area within the organic sector, nor a great future for the movement.

Organization and structure of the organic sector

Two official committees are described in the law as part of the decision-making process of the organic sector. The 'Organic Farming Committee' in the Ministry is in charge of the implementation of the present law, including the supervision of the work within the Ministry and the authorized bodies, enterprises, entrepreneurs, inspectors, and certifiers. The committee has 20 members from different departments of MARA. The 'Organic Farming National Steering Committee' is in charge of the development of strategies for trade and promotion of organic production, including relevant research and monitoring services together with organizations and agencies outside the Ministry. With the broad and active participation of stakeholders, with 35 committee members representing governmental organizations and agencies, professional chambers, civil society organizations, universities, and the private sector, this committee is very effective.

The introduction of the law in 2004, in combination with strong lobbying by different stakeholders, especially increased the production and the product variety in the domestic market. A new law also facilitated the establishment of producers' unions and cooperatives. As a result, some farmer organizations have been formed in addition to the exporting companies (77 companies in 2005), big farms, food manufacturers (361 certified operators in 2005), private traders, and investors. As an example, ORGUDER, the Association for Organic Food Producers and Industrialists, was established recently by the new investors.

NGO's have played a big role in building awareness among consumers and producers. The first NGO, the Association of Ecological Agricultural Movements was founded by some exporters and professors of Egean University in Izmir. This organization has provided technical training, published the first introductory book on organic agriculture, and organized three national symposiums on organic agriculture. Bugday, founded in 1991, was another national movement that became a catalyst and facilitator, organizing events and lobbying, providing publications, and presenting practical examples that have been a strong 'motor' for the movement.

Despite many organizational initiatives, the lack of financial resources for capacity-building has hampered the possibilities for finding qualified people engaged in the organic sector. Much more could also be achieved with more cooperation.

Organic farming has been promoted as a unique tool for rural development in Turkey on the political level. The farmers have generally been motivated by economic possibilities, while the Turkish consumer generally sees organic as a healthy and tasty alternative.

Supporting structures: research, education and extension

‘Learning by doing’ and ‘believing only after seeing the example’ is part of Turkish tradition and culture, especially among the rural population. As a result, the first educational initiatives in organic agriculture were the ones carried out on farms and in the production units. This has been and will be an effective tool. The universities rarely gave courses in this field before 2000. In recent years, research on organic agricultural production has increased, and one University Branch specializing in organic production techniques opened in Kelkit in East Turkey in 2003 with the sponsorship of the Aydin Dogan Foundation.

The TaTuTa, a project for agro-tourism and exchange that receives hundreds of national and international volunteers and tourists annually, is another initiative that has played a role in consumer and producer education. TaTuTa started in 2003 and was run by NGOs with a little support from GEF SGP (United Nations Development Program Global Environment Fund Small Grants Program) in the first two years. It continued successfully with a growing number of organic farms (currently 70).

One national government project is ‘Extension of Organic Agriculture’, carried out in 29 establishments in 24 provinces and covering training, research and development projects, and extension studies on organic plant, animal and aquaculture products. The education MARA gave to its staff at the regional level was not effective because of discontinuity, lack of proper curricula, and frequent changes in positions by the people at those offices.

Some universities have made effective contributions in their research on organic farming by doing it in cooperation with some volunteer farmers at their farms, and sharing the results of their research directly with the interested farmers.

Lessons learned:

- The existing export market is a good start for building the organic sector and a domestic market, but a domestic market is necessary to develop organic farming further in Turkey.
- Lack of education in rural areas, especially lack of knowledge about organic farming, is a major obstacle.
- A large range of products is an important factor for the development of a domestic market.
- Foreign market actors and donors have played an important role in the development of the organic sector.
- Stakeholder involvement is crucial for good, relevant development of the national law, extension, research, and education.
- Engaged NGOs play an important role in promotion and lobbying for good development

- A government payment for organic production effectively leads to conversion, but the conversion is successful only if there is a market for the products.
- Organization of farmers in unions and cooperatives and having strong farmers' networks are essential for market development.
- A clear common concept and logo is beneficial for building consumer trust. Another effective measure to build consumer interest and awareness is for producers to meet consumers on farms or in farmers' markets.
- Lack of coordination and cooperation is a major limiting factor. A national action plan, where e.g. specific roles for different stakeholders are described, is foreseen as an instrument to solve this problem.
- Financial resources for capacity building are essential.

Uganda¹

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Agricultural conditions

In Uganda, colonial land occupation was never prolific and therefore farm size remained small, with smallholder farmers as the basis of agricultural production. Land units of small-scale producers range from 1 to 3 ha on average, whereas for medium-scale producers, farm size is between 3 and 15 ha. Agriculture remains the backbone of Uganda's economy, contributing about 40% of the Gross Domestic Product (GDP), and 85% of export earnings. The sector employs 90% of the population, over 95% of whom are smallholder subsistence farmers who live in the rural areas. Large-scale producers may cultivate from 15 ha of land for intensive production to 100,000 ha for extensive production, mainly grazing, but these account for only about 5% of the farming population.

Organic agriculture

Uganda has over 50,000 farm households certified as organic; for most of these, cash crops are the major source of income. In this regard, commercial organic agriculture can be seen as a major employer or employment opportunity. Organic farming is practiced on smallholder farms, where the majority of work is carried out by the women, supported by other family members. The direct ownership is generally held by the man, however, and if a farm is organically certified it is normally registered in the name of the man. Most of Ugandan agriculture is close to organic methods because the traditional farming practices that still are largely followed by the majority of the smallholder farmers emphasize organic farming methods such as soil erosion control, crop rotation, use of natural fertilizers and manures, and mulching, and it's not surprising that apart from certified production, organic is also promoted by many non-governmental organizations (NGOs) and community based organizations (CBOs) as a sustainable form of agriculture to guarantee food security and provide income to the rural population.

¹ Inger Källander and Gunnar Rundgren assisted in compiling this case study.

Studies show that compared to other families, certified organic producers are more food secure and are able to sell their surplus. The link between organic agriculture and poverty reduction is increasingly being recognized, with a push towards commercializing smallholder farmers and support for their access to markets from a number of major donors and the government. The contribution of the organic sector to overall export competitiveness has been recognized by the Uganda Export Promotion Board (UEPB) through the inclusion of the 'Best Organic Exporter' category among the prize categories within the Presidential Awards for Export Excellence. Organic products currently exported from Uganda are fresh fruits and vegetables (e.g. pineapples, passion fruits, apples, bananas, papayas), dried fruits and spices, coffee, cocoa, cotton lint and cotton garments, sesame, vanilla, and chillies.

The development of organic agriculture

The export market has been the main driving force for the organic agriculture movement in Uganda. A few commercial companies began deliberately engaging in organic agriculture, with an eye on the export market, as early as 1993. At the same time many NGOs, CBOs, and the government promoted an approach to agriculture that would allow the safeguarding of food security, help to provide income, maintain soil fertility, and control pests. From there, it was only a small step towards embracing the formal practices of organic agriculture, which, with their emphasis on nature, were found to be palatable to Ugandans.

Market development

Export market

The export sector is dominated by larger companies, both local and international, who have entered into organic trade to supplement their existing trade in conventional products. Most provide bulk raw materials to the developed markets, although some carry out primary processing before export. The exceptions are fresh fruit exporters, dried fruit exporters, and companies dealing in essential oils and aromatic plants, where end market products are being exported. The export value of organic products from Uganda was estimated to exceed US\$7 million in 2005, and it has been growing rapidly in the last five years, averaging 65% per annum between 2003 and 2005. Over the past three years there has been more demand for Uganda's organic products than could be supplied, presenting a big market opportunity to be explored by the thousands of smallholder farmers.

The development of the organic export markets to date has relied heavily on the support of programs such as Export Promotion of Organic Products from Africa (EPOPA)², and Centre for the Promotion of Imports from Developing Countries (CBI - a Dutch program facilitated by the Dutch Ministry of Foreign Affairs). EPOPA has worked closely with a number of Ugandan organic exporters, allowing them to increase their level of international competitiveness, which has translated into increased organic exports from Uganda. CBI has primarily played the role of assisting in various matters of access to the EU market. As a result of these efforts, the number of organic export projects increased steadily from fewer than five in 2002 to over 25 by the end of 2006.

² A program funded by Sida, www.epopa.info

The National Organic Agricultural Movement of Uganda (NOGAMU), which is the apex organisation bringing together the producers, processors, exporters, NGOs, and other stakeholders in the organic sector, has instigated a measure among organic dried fruit processors to ensure their standards of hygiene and sanitation. Working with Makerere University with support from HIVOS (a Dutch NGO), NOGAMU has embarked on a series of training programs, including the deployment of graduate interns at dried fruit processing facilities. The United Nations Industrial Development Organization (UNIDO), with contributions from NOGAMU, is currently in the process of writing a curriculum for the training of dried fruit processors in standards of sanitation and hygiene.

Domestic market

NOGAMU established a shop for organic products in Kampala in 2002, through which its membership can access the local market. The shop has grown, with monthly sales rising from UGS170,000 in January 2003 to over UGS2 million in December 2004. The annual sales of organic products in the NOGAMU shop reached UGS38 million by the end of 2006. NOGAMU also has three contracts for supplies to schools and restaurants. Further local marketing efforts by Uganda's organic movement have resulted in some producers being able to supply local supermarkets with organic goods, such as dried fruits, honey, and muesli. The organic products in greatest demand at the NOGAMU shop are fresh vegetables, fresh and dried fruits, spices, fruit juice concentrates, ready-to-drink-juices, free range eggs, vegetable oils, and Shea nut butter. NOGAMU is in the process of establishing other outlets in major towns of Uganda for marketing organic products.

In order to increase local sales of organic products, the shop introduced a basket home delivery scheme as a convenience for customers who sometimes are discouraged from going shopping because of the constant traffic jams on the city roads. The current and prospective consumers interested in organic products are sent emails every week containing a list of the products available with their prices. Consumers then respond and place orders indicating the quantity they wish to be supplied with in the basket.

Organic producers are currently receiving higher prices than suppliers of conventional products, especially with fresh vegetables, where domestic market suppliers are getting organic price premiums ranging from 30 to 50% . The domestic market currently is not based on certified production. NOGAMU has implemented some verification mechanisms through its marketing department.

NOGAMU is also involved in raising awareness among consumers. This has been done through the production of information materials that include brochures, posters, leaflets, and advertisements placed in the major local newspapers. Promotional materials that include T-shirts and caps that have the NOGAMU logo inscribed on them are also produced and sold at subsidized rates. An annual 'NOGAMU day' is a main vehicle to reach the public. NOGAMU also organizes and coordinates participation of members in many other relevant local trade shows.

Regulatory framework

NOGAMU took the initiative in 2002 to develop a standard for organic production – the Uganda Organic Standard (UOS). The Standards Committee consisted of representatives from NOGAMU, the Uganda National Bureau of Standards (UNBS), and the Ministry of Agriculture, Animal Industries and Fisheries (MAAIF), among others.

The process of drafting the UOS involved the preparation and distribution of three drafts for written and oral comment. A major stakeholder meeting was held in Kampala on 16 April, 2003, which involved around 100 participants, and NOGAMU also arranged a number of regional consultation meetings throughout the country. The standards were adopted in 2004. The process was supported by the SIDA-funded EPOPA programme, which also provided technical advice to the standards development.

At the end of 2003, EPOPA supported a meeting in Arusha, Tanzania, on standards and certification of organic agriculture for East Africa. Almost 100 people, most of whom were from Uganda, Tanzania, or Kenya, met for three days to present the situation in the different countries and to discuss the way forward. One of the outcomes was a decision to cooperate on standards and certification for East Africa. One common regional standard, a logo that could state national identity in the text, and one regional certification structure were seen as the goals. At the Arusha meeting it also was evident that in Uganda and Tanzania certification bodies (UgoCert and Tancert) were being formed, and that the stakeholders in the respective countries promoted and supported this development. At a follow-up meeting in Nairobi in March 2004, forms of collaboration were discussed and the harmonization of the certification standards was seen as the starting point.

In October 2005 a Regional Standards Technical Working Group was established to develop a regional standard for East Africa³. With support and technical assistance from the UNEP/UNCTAD CBTF⁴ project and IFOAM, the regional standards were developed during 2006 and a final proposal was submitted to the East African Community in January 2007, for formal adoption as an East African Standard. The development of the standards has been truly participatory and has involved good cooperation between the private sector and governmental institutions, in particular the National Bureaus of Standard and the Ministries of Agriculture.

One major advantage of a regional standard is that it will facilitate regional trade, as there will be no technical barriers, and it is in line with the recently formed East African Customs Union. Another advantage is that rather than having to seek acceptance for each individual national standard, countries can work together to have a regional standard accepted by the international export markets. Inspection, training materials, and information efforts can be shared more easily if based on the same standards.

³ East Africa here refers to the countries of the East African Community. In 2006 they included Kenya, Tanzania, and Uganda, In 2007, Rwanda and Burundi also joined.

⁴ See more information on <http://www.unep-unctad.org/cbtf/>

The East African Organic Standard refers only to production and does not contain requirements for certification. The vision is that it can be used by producers who are part of different quality assurance programs, including third-party certification and participatory guarantee systems. The authority to further regulate the sector rests with the national governments, and there is currently no demand from the sector that any mandatory organic regulation should be implemented.

Almost all certified organic production in Kenya, Tanzania, and Uganda is certified according to EU regulation 2092/91. Increasingly, as producers target more distant markets, production is also certified according to the US National Organic Program (NOP) or the Japan Agriculture Standards (JAS). It is quite apparent that the direct use of these standards in East Africa creates problems. For example, the NOP has such stringent requirements for composting that even US farmers have problems following them, while the EU requirement that organic seeds be used conflicts with the reality that there is almost no organic seed available in East Africa. It is therefore quite natural that stakeholders are looking for an organic standard that is better adapted to their situation. At the same time few stakeholders understand export market regulations enough to grasp properly the limited potential of national or regional standards for international trade.

Organic certification by European certification bodies has taken place in Uganda since 1993. IMO and KRAV have dominated the certification scene; others are EcoCert, Ceres, Soil Association, and SKAL. Currently IMO certifies the vast majority of production, and a few projects are certified by EcoCert. In 1994, a few local inspectors were trained by KRAV, but much of the inspection work so far has been done by foreigners. IMO has an expatriate inspector based in Uganda, and since 2004 has worked in close cooperation with UgoCert for its inspections.

Parallel to development of the UOS there also was a process to develop a local certification body. NOGAMU, supported by the EPOPA program, pioneered in this. EPOPA also conducted a number of inspection trainings to start to build capacity and later trained certification staff. UgoCert was formalized in early 2004 and is a limited company with stockholders from the organic sector. NOGAMU has the biggest share allocation. UgoCert has an office in Kampala and four staff members. UgoCert has not yet had any independent international recognition, but is aiming for IFOAM Accreditation in 2007. In the meantime, clients are offered internationally compatible certification through agreements with IMO and Ceres. No producers that are targeting the local markets have so far been certified by UgoCert.

Organic agriculture policy

Organic agriculture is not explicitly integrated into the main agricultural policies. The main policy framework guiding agricultural production in Uganda is the Plan for the Modernisation of Agriculture (PMA). Under PMA, other policies have been developed including the National Agricultural Advisory Services for provision of demand-driven agricultural extension, and the National Agricultural Research Organisation providing guidance in all agriculture-related research. While organic agriculture can still benefit from these policies, the design of the policies was not focused on the specific challenges facing organic agriculture and so in many

situations they have not benefited organic agriculture. In reality there still are official policies and programs in place that discriminate against organic production; for example, some farm input support schemes are only available to conventional farms and are sometimes set up so that organic farms in effect subsidize their conventional colleagues. There also are other policies and programs that may pose a threat to organic farming, for example proposals to roll out large-scale DDT spraying in Uganda. However, over the past few years organic farming has attracted increased attention from national governments as an interesting export market option and as a low-cost, environmentally friendly farming system accessible to small-scale farmers.

Organic policy development in Uganda has been advocated for by the private sector, spearheaded by NOGAMU. In May 2004 a policy committee was established by the Ministry of Agriculture with 26 members that has a large proportion of private sector representatives and representatives of public sector institutions other than the Ministry of Agriculture. Initially the committee was restricted by a lack of resources. In April 2005, with financial support from NOGAMU and Advocates Coalition for Development and Environment, the drafting process was initiated and a smaller committee was assigned to produce a concept paper and later proceed with the drafting process. A concept paper was produced in November 2005, and in December 2005 the drafting of the organic agriculture policy started. A first draft was presented to the whole committee and was revised to become the current draft, which has been presented to the Ministry's staff and top management. The committee received comments and got clearance to initiate the nationwide stakeholder consultations including the private sector and local governments. The process has again been stalled by the lack of finances from the Ministry of Agriculture to undertake this last step before the policy can be presented to the cabinet and parliament for approval. The process has been participatory and so far has included the relevant stakeholder and government departments. The private sector has so far contributed the most resources for the development. The challenge now is to get the resources to make proper consultations at the grassroots level. The organic policy is a separate policy but it is rooted in the main agricultural policy, the Plan for Modernisation of Agriculture. The organic policy process in Uganda has also benefited from the UNEP/UNCTAD project 'Promoting Production and Trade in Organic Agriculture Products in East Africa', cooperating with IFOAM to organize regional workshops and assessment of the organic sectors in the East African countries.

The Uganda Export Promotion Board (UEPB) has taken a keen interest in organic exports for many years and has supported participation in trade fairs and trade missions. The Uganda Coffee Development Authority (UCDA) has also recognized the importance of organic farming and has established a target of 10% certified organic coffee. UCDA hosted the third IFOAM International Organic Coffee Conference in Uganda in October 2004.

Organisation and structure of the organic sector

A milestone for organic development was the successful establishment of the National Organic Agricultural Movement of Uganda (NOGAMU), which began in 2001 and by the end of 2006 had attracted 365 individual members and 164 corporate members. Many of the corporate members of NOGAMU have memberships in the thousands, meaning that NOGAMU is

linked to over 50,000 stakeholders in the organic sector. NOGAMU membership includes producers, processors, exporters, NGOs, and CBOs, as well as other stakeholders directly or indirectly involved in the organic sector.

NOGAMU has managed to organize most organic stakeholders into one fairly strong organization. NOGAMU's Vision is to attain 'increased incomes and improved livelihoods in Uganda through adoption of organic agriculture'. The objectives include the following;

1. To build capacity in organic research, training, education, and extension in Uganda
2. To promote local and international marketing of organic products from Uganda
3. To increase the application of organic standards and certified organic production in Uganda
4. To increase awareness and attract support for organic agriculture in Uganda

NOGAMU aims to develop the organic sector through increased certified organic production and marketing on the local and international markets in a more sustainable manner, resulting in improved food security as well.

NOGAMU works with a designated partner organization in each of the four regions of Uganda, thereby spreading its influence nationwide. On the socioeconomic front, NOGAMU has a deliberate policy of ensuring farmer participation in the directives and direction of the organization. This degree of coordination within the organic sector has allowed the organic agricultural movement in Uganda to reach several achievements, including:

- Lobbying as a body against the use of DDT by the Ministry of Health
- Attending international trade fairs as a body, slowly carving out a solid reputation for Uganda in the international organic market
- Lobbying government for a policy on organic agriculture
- Developing a training guide for the practice of organic agriculture in Uganda
- Developing organic standards
- Being involved in the setting up of UgoCert, Uganda's certifying body.

Supporting structures: Research, education, extension

The main institutions for research and training are Makerere University and Uganda Martyrs University Nkozi. Research is being carried out in a number of areas, e.g. on the social implications of certified and non-certified organic agriculture through the Linking Farmers to Markets initiative spearheaded by the International Center of Tropical Agriculture (CIAT), Makerere University, Kampala, and BOKU University, Austria. More research in this area is needed to show how organic agriculture benefits resource-poor households, especially in regard to women and children, and whether commercializing smallholder farmers really leads to a decrease in poverty, or whether the man of the household is the sole beneficiary of the extra income.

NOGAMU and its partner staff are involved in the provision of technical support to the farmers groups involved in production and processing. The farmers also are trained in production and processing of various products. This is to encourage members to increase the range of organic products to give consumers a wider choice. Organic processors are also

supported in accessing packaging materials, which are usually imported from Kenya and sold to them at subsidized rates.

Besides NOGAMU there are a number of civil society organisations that provide extension and training for the empowerment of farmers, improved food security, environmental management, and mobilization of resources. Some of these are the Kulika Charitable Trust, Send a Cow Ltd, Africa 2000 Network, Sustainable Trainers Network, and Students Partnership Worldwide.

There also are a number of foreign partners who contribute to organic development in Uganda by offering consultancy services as well as funding and technical assistance.

Lessons learned:

- Compared with other families, certified organic producers are more food secure and are able to sell their surplus produce.
- The export market has been the main driving force for the organic agriculture movement.
- Quality improvement is important for successful export of organic products.
- Home delivery of organic products is a successful model for increasing local sales.
- A regional standard facilitates regional trade since technical barriers are eliminated and common work can be done to have the standard accepted in international markets.
- Inspection, training materials, and information efforts can be shared more easily if based on the same standards.
- The development of the East African Organic Products Standard has been a successful model for elaborating standards in a participatory process with good cooperation between the private sector and governmental institutions.
- Direct use of the EU regulation, the JAS and the NOP is a problem since some requirements are not suited to the situation in Uganda.
- A strong national organization for the most important stakeholders (NOGAMU) is crucial for building strategies, lobbying, and participating in important development projects such as UgoCert, Uganda's certifying body.
- More efforts need to be made in building the supply base and addressing the constraints that limit the supply of organic products, as demand continue to outpace supply, if organic farming is to be exploited to its full potential in Uganda.

USA

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Agricultural conditions

The US has eleven agricultural zones, including arctic, sub-tropical, tropical, desert and temperate conditions, and providing the country with a wide variety of agricultural products such as fruits, nuts, grains, seeds, cotton, vegetables, poultry, and livestock. There are just over 2 million farms on almost 400 million ha of land. The amount of farmland has been decreasing due to population growth and urban expansion. 51% of US farms have less than 40 ha; the average farm size is about 180 ha. Slightly more than half of the farmers are full-time operators, and almost 90% of the farms are owned and operated by individuals and families.

The top five agricultural products are cattle and calves, dairy products, broilers (chicken), maize, and soybeans. The total market value of agricultural products is about 1% of GDP. The US is both the leading exporter and leading importer of farm products. Exports of bulk commodities have been declining in the past 10 years, while livestock, horticultural products, and processed food products are capturing a larger share of the export market. Exports represent 22% of the total volume of US agricultural products, with a market value of US\$62 billion.

Organic Agriculture

Farmers in 49 states dedicated some 0.9 million ha of cropland and pasture to organic production in 2003, accounting for 0.1% of US pastureland and 0.4% of US cropland. Overall, certified organic cropland and pasture accounted for about 0.2% of total farmland in 2003. Only a small percentage of the top US field crops was grown under certified organic farming systems. On the other hand, fruit and vegetable crops were more commonly grown organically in 2003. Markets for organic vegetables, fruits, and herbs have been developing for decades in the US, and fresh produce is still the top-selling organic category in retail sales.

Today there is no one predominant characteristic of organic farms or their markets. The variety of crops that are grown organically in the US reflects the conventional agriculture sector. Organic livestock production is expanding rapidly in beef and dairy cow operations, and milk cows account for over half of certified animals. The US imports eight times as much organic products as it exports. Organic meat (beef, pork, lamb) and poultry (chicken, turkey) represent the smallest segment of organic production and sales.

The size and scale of organic farms also reflects the conventional agriculture sector in the US – from farms with less than 1 ha of land to those with thousands of ha. The majority of organic farms would be classified as small (less than 4 ha) to medium size (less than 200 ha). Organic farm products are sold in a multitude of markets: direct to customers; farmers markets; direct to retail; wholesale; contracts for processing; and export.

Organic farmers on average are younger than the national average (over 50 years). There also is a greater proportion of women in organic farming than in farming as a whole, and the average educational level of organic farmers is higher than the average for all US farmers.

The early development of organic farming

The first steps of organic farming in the US were taken by a few pioneers who became world famous. J.I. Rodale began to popularize the term and methods of organic growing, particularly to consumers through promotion of organic gardening, inspired by his encounter with the ideas of Sir Albert Howard. In 1947, Rodale founded the Soil and Health Foundation, the forerunner of the Rodale Institute, and formed his central message and philosophy: ‘Healthy Soil = Healthy Food = Healthy People®’. Paul K. Keene in central Pennsylvania was one of the first organic farmers; he started his farm, Walnut Acres, in the mid 1940s and sold food products nationally in health food stores and by mail order. In 1962, Rachel Carson, a prominent scientist and naturalist, published *Silent Spring*, chronicling the effects of DDT and other pesticides on the environment.

In the early 1970s, as a result of the anti-war movement, civil rights movement, and environmental movement in the US many college-educated men and women sought to create an alternative life on farms and in community-living situations. At the same time, many farmers began to question the effectiveness and impacts of chemical fertilizers and pesticides. Organic farming methods were adopted by both these groups, but there was little awareness or interaction between them.

In the early 1970s farmers began to come together to share information and experiences with organic methods. From these meetings there arose membership organizations, organic production standards, certification programs, market labels, and public promotion of organic products. Among the initiatives started in the 1970s and still active today is the California Certified Organic Farmers (CCOF), which began in 1973 as a group of 54 farmers from California’s Central Coast mutually certifying each other’s adherence to publicly available standards for organic agriculture. Oregon Tilth was founded in 1974, primarily as an organization of organic farmers, gardeners, and consumers. Tilth provided certification services for the State of Oregon after 1980, when legislation was enacted to regulate organic production and labeling. The Organic Crop Improvement Association (OCIA), formed in the early 1970s, founded OCIA International in 1985 and incorporated in 1988. It was formed as a non-profit membership organization of farmers, processors, and handlers, and now provides certification and information service internationally. The Northeast Organic Farming Association (NOFA) operated independently in seven states until the mid 1990s, when the chapters formed the association to coordinate their activities, advocacy, and newsletters. The earliest of these chapters, NOFA-Vermont, was organized in 1971. All chapters are membership

organizations of organic farmers, gardeners, and consumers providing educational programs, and now operate certification agencies.

In addition, founders of several businesses and farms helped shape the development of the organic sector during this period.

The development of the organic sector during this period was successful because these early alliances were farm-based and were organized and operated regionally. The alliances originated among farmers and later developed to include the rest of the supply chain and consumers or individuals. An important factor in their success was the market-orientation of these organizations as well as their philosophical agenda.

1940s-1960s: Pioneer Era – J.I. Rodale, Paul Keene, Rachel Carson, Frank Ford

1970s: First organic farmer organizations and first organic certification; organic products sold directly or through natural foods stores.

1980s: First state laws and organic certification; first national organic trade association (OFPANA); national discussion on organic standards and certification; Alar Report published by National Resources Defense Council

1990s: US law regulating organic production and labeling: the Organic Foods Production Act (OFPA); appointment of National Organic Standards Board (NOSB); proposed rules for the US National Organic Program (NOP); 20% annual sales growth of organic products; Organic Farming Research Foundation (OFRF), Organic Materials Review Institute (OMRI) and Independent Organic Inspectors Association (IOIA) established.

2000s: Implementation of NOP; organic integrated into mainstream markets; first lawsuit challenging NOP; increased government funding for organic research; The Organic Center founded.

Market development

The food coop movement, with an interest in social and economic changes (food for people, not for profit), was a major factor in the distribution and marketing of organic products in the early period – mostly fresh produce and bulk grains and beans along with a handful of packaged products, mainly to support those with vegetarian or macrobiotic diets. By 1974 a network of coop distributors around the US supported the retailers, farms and businesses in this sector. These operated regionally, with little effort to build national relationships or alliances until the mid 1980s.

Domestic market

Today the domestic market for organic products is about US\$15 billion, and organic products are purchased at farmer's markets (4% of total sales), natural food and specialty stores (24%), natural food chain stores (24%), mainstream grocery chains and mass merchandise stores (44%), as well as online, catalogue or direct sales, convenience stores, restaurants and food service institutions (together 4%). Organic food is an integrated and established part of the market and no longer a niche. This expansion of organic into mainstream grocery chains and mass merchandise stores such as Wal-Mart has not resulted in lost sales for organic at the farmer's markets or the local natural food stores, specialty stores, or independent grocery stores. Because of consumer demand, the US regulation and USDA seal for organic

products, and media attention on the organic sector, expansion into all market channels has developed.

Organic products today are accessible to the entire US population. Consumers of organic share such characteristics as health awareness, environmental awareness, social consciousness, and a desire to avoid pesticides, growth hormones, and GMOs. The organic shopper in the US includes all economic, racial, and geographic demographic groups.

Export market

Organic commodities such as beans and grains were exported as early as the 1970s to Europe and then to Japan, but the competition on the global market has grown. The implementation of organic regulations in Japan significantly decreased the export of US products to that country. Packaged organic products have had limited success in export markets in Europe and Japan because of different national standards for organic, import requirements, and lack of interest. Canada remains a strong export market for fresh produce, specialty crops, and packaged products. Some organizations have received national or state government funds for export initiatives for organic products. Some have worked together to increase awareness and purchase of US organic products. OTA (Organic Trade Association) provides an Organic Export Directory as a networking tool.

Consumer awareness building

The most successful consumer information/education initiatives have been those by companies with branded organic products because they can deliver the message about organic repetitively, consistently, and through various modes of communication such as their product package, their web sites, newsletters to customers, advertising in magazines and stores, sponsorship of events, product sampling at stores and public events/markets, and media coverage of their company or products.

The regional organic organizations have contributed to consumer education and awareness through conferences and fairs, newsletters, web sites, and brochures. These organizations create opportunities for consumers to interact and learn from the farmers about organic production.

The media have played one of the most significant roles in building consumer awareness of organic in the US. Radio, TV, magazines, and newspapers (local, regional, and national) cover the topic of organic from the perspectives of business growth, farm issues, environmental pollution, health and safety, government policy, consumer trends, and trade. Whether supportive and accurate or negative, media coverage helps the development of the organic sector by creating recognition of organic.

There has been no successful national consumer awareness/education or marketing initiatives in the US because neither the OTA nor the NGOs have sufficient funds to launch national campaigns. Even companies with organic products and retail chains with stores across the US rarely invest in national marketing campaigns. All efforts are directed to 'target' markets (regions or types of customers). OTA took over a regional effort, Organically Grown Week,

in California in 1989 and expanded it to become Organic Harvest Month™ (September). The success of this campaign, which still exists, lies in the consumer events that are organized by the regional organizations during September and the individual efforts of retailers and product companies to offer organic product promotional sales and product displays. OTA's role is to promote the regional, retail, and product company activities to the national media.

In the early to mid 1990s a consumer awareness/education campaign was launched that was funded by a private sector foundation to increase the market for organics and consequently provide an incentive for conversion to organic. The campaign provided retailers with signs, information and promotional activities. The campaign ran for several years, but when the funds from the foundation ran out, there were no funds from the private sector to continue to support the campaign. The failure of this campaign was that the organization was not created by the stakeholders, but by the foundation, and was not implemented in a way that built a sense of ownership and investment among the stakeholders. Also, the market and organic sector were not developed sufficiently at that time to maintain this type of campaign.

Role of standards

The use of standards and certification to create market identity was critical for domestic market development. This was recognized by the organic farmers in the early 1970s who sold directly to the consumer. The organic standards became a promotional tool for the organic farmers, and certification was established to protect their market from fraudulent competitors. As markets expanded beyond direct sales, the guarantee offered by certification was essential for building trust in the marketplace. Voluntary standards and certification were successful up to a point. In 1989, when the Alar Report was published, the US domestic market was flooded with so-called organic produce and many farmers, retailers, and consumers were hurt by the fraudulent claims. This situation helped solidify support for a national organic program that required certification to one standard. It is unlikely that fraudulent products not in compliance with NOP are sold today in the US.

One of the strategies used by the certification agencies was to create a seal and campaigns to build consumer confidence in certification. There was some success, but as the organic market grew nationally and the number of different seals expanded, consumer confusion increased. The campaigns to position one certifier's seal as 'more organic' or 'better organic' than another seal caused skepticism about all organic products. With the introduction of the USDA Organic Seal in 2002, consumers and the marketplace responded positively to a single seal that identifies all organic products. The differentiation between organic products is based now on other product characteristics and values and is promoted by the farmer or the product company. Certifiers compete for clients based on the quality of their service rather than seal recognition in the marketplace.

Regulatory framework

In the early period, standards were developed by farmers who had been incorporating organic methods popularized by Rodale and based on shared knowledge. The standards only included production practices with an emphasis on soil health and natural methods for pest, weed, and disease control. These early standards did not have broad public input and were owned by the

farmer organizations (CCOF, Tilth, OCIA, NOFA) and certification businesses (FVO). OCIA and FVO standards reflected IFOAM standards.

By 1980, at the urging of the organic farmer organizations, several states began to regulate the organic label generally to protect consumers from fraud. By the late 1980s there were 13 state laws and regulations about organic production and labeling, with a variety of approaches to certification and enforcement. The number of private standards and certification agencies had increased to 35.

In 1985 the Organic Foods Production Association (OFPANA) was formed by US and Canadian traders, farmers, and certification agencies to produce a North American combined standard and accreditation of certifiers to bring consistency and value to the organic label. As a reaction to this initiative, the Center for Science in the Public Interest, the National Association against the Misuse of Pesticides, and Rural Advancement Fund International advocated for a national law for organic production, handling, and labeling. In a series of meetings between Kathleen Merrigan, agricultural aide to Senator Leahy, and the environmental, consumer, and organic farm organizations, there was agreement on a national standard for organic production, handling, and labeling, and a national accreditation program to approve certification agencies.

The Organic Foods Production Act (OFPA) [Title XXI of the 1990 Farm Bill] passed in Congress. After 10 years of intensive stakeholder participation a final regulation was completed in 2000 [National Organic Program: Final rule 7 CFR Part 205. [Docket Number: TMD-00-02-FR], RIN: 0581-AA40 (Dec 21, 2000)] and implemented in 2002. The introduction of national government regulations has expanded the market for organic products. 60% of consumers look for the USDA Organic label when they purchase organic products. For export markets the organic sector has urged the US government to negotiate equivalency or recognition agreements to help solve the regulatory barriers.

Now that there is an implemented national standard for organic and common ground has been established, the alliances among stakeholder groups have broken down. Individuals and stakeholder groups expect that the National Organic Standards Board will sort through the different opinions and create compromise positions to present to the US National Organic Program (NOP) In addition, new watchdog organizations have emerged to monitor the NOP, but are motivated by specific interests beyond organic production practices, such as family farms, food safety, government accountability and local agriculture and trade.

Organic agriculture policy

The NOP is considered by the government as a labeling and marketing regulation, not an endorsement of organic farming and not a food safety or conservation regulation. In 2002 Congress recognized organic as a good agricultural practice. This recognition opened access to crop insurance and agricultural disaster programs that previously had been closed to organic farmers.

It has taken the combined efforts of various stakeholders to lobby for sufficient money from Congress. Funds have been allocated to support the implementation and enforcement of the National Organic Program, to support research on organic methods, and for a cost-share program to help farmers and handlers cover the cost of certification. The successes achieved in gaining government financial support for organic are overshadowed by the size of the national budget to support GMOs and farm subsidies based on conventional practices. Because there has not been extensive government support either in policies or funding, the organic sector has remained market-driven.

Organization and structure of the organic sector

The organic sector in the US evolved from scattered initiatives into a strong national movement with common goals while maintaining strong regional organizations that provide organic advocacy, education, and promotion and build the capacity of the organic sector. OFPANA and OCIA International, both established in the 1980s, were the first nationally organized organic associations. OFPANA, which became the non-profit corporation Organic Trade Association (OTA), never provided certification services but instead focused on creating a national movement that could bring a unified voice for the organic sector to governments and the public. OTA's dual purpose is to promote organic trade and protect the integrity of organic standards and label claims.

Many stakeholders have been involved in the organic sector. There are organizations of organic farmers, organic processors and handlers, retailers, consumers, and environmental activists. There are organizations that represent the organic certification agencies, both public and private. There are sustainable agriculture organizations with wide-ranging interests including rural development, family farms, reduced pesticide use, fair trade, organic, and more. There are conventional trade associations and farm organizations. There are scientific and research organizations and universities. There are organizations that want to change the government, society, or economic structures.

The variety of organizations and individuals involved in the organic sector provides a richness, diversity and vitality that has sustained and grown the organic sector. But it also creates a complex network that often is unorganized and uninformed about all the actions and positions being taken in the organic sector. The variety of stakeholders has given the organic sector strength to overcome obstacles in government, public opinion, and mainstream businesses. At the same time differences among the stakeholders contribute to public debates about the organic sector that negatively impact its influence and growth. Organic farming has been a secondary interest to many of these organizations and has been used as political or marketing tool. Environmental groups and sustainable agriculture organizations have kept some distance from organic because they did not have the confidence that organic could be successful on a large scale, and their private sector funders are reluctant to support organic-only initiatives.

The organic sector was first driven by farmers, then by certification organizations, then by the market, and now by consumers. In the course of this evolution there has been a loss of understanding of organic as an agricultural production system. There has been a shift to

demands for product guarantees rather than a process guarantee, and a shift away from the environmental and public health benefits of organic production and towards the personal health benefits.

Supporting structures: Research, education, extension

In the early period the farmer organizations (CCOF, Tilth, OCIA, NOFA) and the Rodale Institute provided all the education, information, and capacity building to the organic sector. As new regional organic organizations were formed in the 1980s they, too, provided these services, funded by private sector foundations and wealthy individuals. Organic product distributors and processors also contributed by providing information to farmers.

Washington State University and University of California were among the first academic institutions to support research on organic farming methods because these states had established organic regulations. There are several universities today with dedicated organic agriculture programs, but even today less than 0.1% of academic research is related to organic agriculture. Most universities only considered organic under the larger umbrella of sustainable agriculture, which can include Integrated Pest Management and GMOs. OrganicAgInfo, created by public/private collaboration and funding, is a website for current, accurate, scientifically based or practically validated information about organic agriculture.

The Organic Farming Research Foundation (OFRF) was founded in 1990 to raise money to support on-farm organic research; they have led the efforts nationally to raise awareness at the national and state level about the need for funding organic research and supporting capacity building for the organic sector. The Independent Organic Inspectors Association (IOIA) was founded in 1991 by organic inspectors who recognized the need for uniform inspector processes and protocols to build inspector skills and promote public confidence. IOIA provides inspector training and networking services worldwide. The Appropriate Technology Transfer for Rural Areas (ATTRA) organization, which is funded by the US government and housed at the University of Arkansas, in the past 10 years has expanded to include organic agriculture in its national education and information services provided to farmers, ranchers, and extension agents. Rodale Institute continues to provide research and education and recently has launched a New Farm web site to provide technical, marketing, and networking information to farmers. The Organic Materials Review Institute (OMRI) was founded in 1997 to review farm inputs and processing products for use in organic production, and has an organic seed database available to assist farmers in finding organic seeds. The Organic Center was founded in 2002 to compile, support, and distribute sound scientific research on the human health benefits of organic agriculture and its products.

Each organization has a separate and distinct focus that has advanced the knowledge and expertise available to the public, the government, farmers, and the trade. Because they are separate organizations, more funds are available to support organic development than would have been possible for one organization to generate; in addition, the existence of these organizations reduces dependence on any one organization or the government.

Lessons learned:

Success factors for the early development of organic farming

- regional alliances originating among farmers and later developing to include the rest of the supply chain and consumers or individuals
- market-orientation of these organizations as well as a philosophical agenda
- richness, diversity, and vitality of stakeholder involvement
- successful marketing that depended on the availability of organic products where the consumer shops, clear labeling and an educated retail staff, consistent messages about organics or about specific products, positive messages about the benefits of organic, eye-appealing produce, displays, or packages, and sampling of products
- the food coop movement, with an interest in social and economic changes
- consistent and positive messages about organics or about a specific product
- companies, organizations, and media that together raised awareness and consumer demand
- stakeholder-driven campaigns for consumer information/education
- one seal that identifies all organic products
- farmer involvement in the early stage of standard development
- national governmental regulatory framework with active stakeholder participation and support
- alliances between the organic sector and other environmental, conservation, sustainable agriculture, and consumer organizations with shared interests

Situations that had a negative impact on the development:

- the difficulty of having a national organization because of the size of the US
- the association of organic farming with the 'lunatic fringe' or 'hippies'
- the quality of products in the early period, the small size of the organic sector
- the competitiveness of the US market, inability to distinguish organic farming from other political, social and economic agendas
- lack of support by the national or state governments for organic farming
- lack of interest by government and the public about environmental issues in general and specifically the relationship between farming and the environment
- plenty of passion but lack of experience in farming, business, or politics

