

THE WORLD OF ORGANIC AGRICULTURE

STATISTICS & EMERGING TRENDS 2007

AUSTRALIA / OCEANIA 11.3 MILLION HA

ASIA 2.9 MILLION HA

AFRICA 0.9 MILLION HA

EUROPE 6.9 MILLION HA

LATIN AMERICA 5.8 MILLION HA

NORTH AMERICA 2.3 MILLION HA





INTERNATIONAL FEDERATION OF
ORGANIC AGRICULTURE MOVEMENTS

PROUD TO BE PART



Bob Quinn

President Kamut International, USA

I appreciate the efforts of IFOAM to promote organic production throughout the world. Their work to keep the integrity of organic standards high worldwide and harmonize these standards with governments has greatly added to the success of the worldwide trade of organic goods. I can not say enough for the many years of dedication by hard working and capable staff and volunteers. I have enjoyed my association with these people over the years and have appreciated the help and encouragement they have offered to me.



Vandana Shiva

Navdanya President, India

Winner of the 'Right Livelihood Award' in 1993

I am happy to be member of an organization who positions itself at the right spot to successfully protect organic agriculture against the threat caused by Genetically Modified Organisms.



Kari Örvjavik

Grolink Partner, Sweden

I am happy that IFOAM faces the challenges for the organic sector, be it climate change, GMOs or cooperation with governments and private sector. There is a lot ahead of us and therefore IFOAM should be strengthened. I am proud to be part.

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**THE
WORLD OF
ORGANIC AGRICULTURE
STATISTICS AND EMERGING TRENDS 2007**

EDITED BY HELGA WILLER & MINOU YUSSEFI

All of the statements, results etc. contained in this book have been compiled by the authors according to their best knowledge and have been scrupulously checked by the International Federation of Organic Agriculture Movements (IFOAM) and the Research Institute of Organic Agriculture (FiBL). However, the possibility of mistakes cannot be ruled out entirely. Therefore, the editors and the authors are not subject to any obligation and make no guarantees whatsoever regarding any of the statements etc. in this work; neither do they accept responsibility or liability for any possible mistakes contained therein.

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1 Foreword Edition 2007

We herewith present the ninth edition of the study 'The World of Organic Agriculture' documenting current statistics, recent developments and trends in global organic farming. The Foundation Ecology & Agriculture (SOEL), the International Federation of Organic Agriculture Movements (IFOAM) and the Research Institute of Organic Agriculture (FiBL) have been collaborating on this project for several years now, with the support of NürnbergMesse. Since 2000 the latest global organic figures have been presented annually at the BioFach Fair in Nuremberg, of which IFOAM is the patron.

For this edition, the statistical information and all chapters were updated. A new addition is a chapter on organic wild collection which presents the results of a recent survey.

We are very thankful to the authors for contributing in depth information on their continent, their country or their field of expertise.

We are also very grateful to numerous individuals from all over the world, who helped us to compile the global statistical data by providing valuable information.

Particular thanks are due to Dirk Sthamer, who carried out the statistical survey organic agriculture worldwide 2007.

We are also very grateful to Neil Sorensen for the technical editing, for proofreading and for coordinating the production of this book and to the editors Helga Willer and Minou Yussefi for compiling the information.

Many thanks are due to Udo Funke from NürnbergMesse, the organizer of BioFach, who financially supported this as well as earlier editions of this study.

Bonn, Frick, Bad Duerkheim, February 2007

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2 Editors' Note

We would like to express our gratitude to all authors and information providers who have made the publication of this yearbook possible. We think that this product improves with each edition, and this is due to the huge commitment of numerous experts from all over the world.

The next global organic survey will start by mid 2007. We would be very grateful if data - country and crop statistics - could be sent to us, but we will of course also contact all experts.

Should you notice any errors regarding the statistical data in this volume, please let us know; we will then correct the information in our database and use the corrected data for the 2008 edition. Please send any relevant information to helga.willer@fibl.org.

Corrections will be posted at www.organic-world.net. The previous editions of 'The World of Organic Agriculture' can be downloaded here.

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3 Organic Farming Worldwide 2007: Overview & Main Statistics

MINOU YUSSEFI¹ AND HELGA WILLER²

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

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

Recent Statistics

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

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

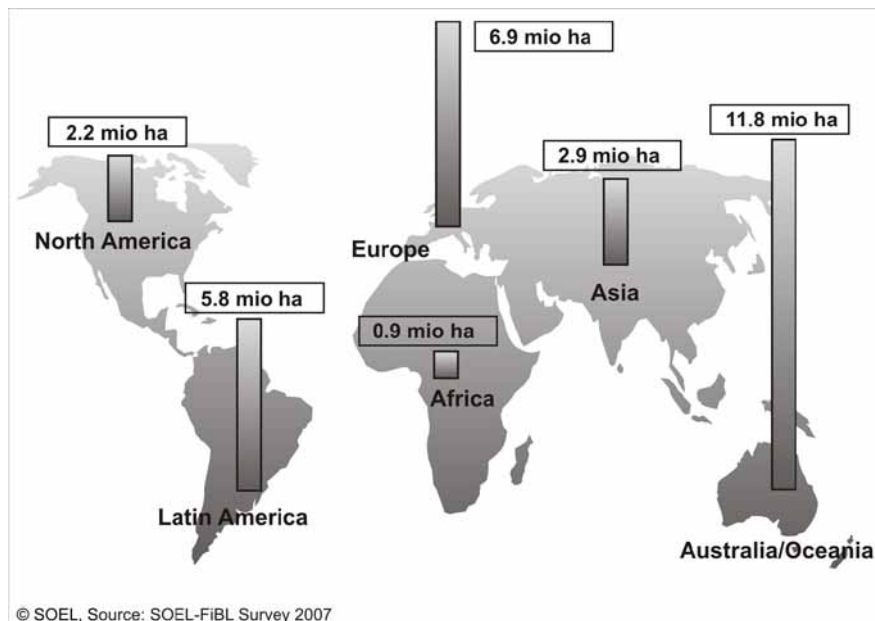
In total, Oceania holds 39 percent of the world's organic land, followed by Europe (23 percent) and Latin America (19 percent).

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

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

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Map 1: Organic agriculture worldwide

Source: SOEL-FiBL Survey 2007, Graph: Minou Yussefi, SOEL

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

Wild collection

In 2005, the International Trade Centre ITC and Organic Services carried out the study 'Overview of production and marketing of organic wild products'. This study shows registered areas of about 62 million hectares of organic wild collection, and a total number of 979 organic wild collection projects. The largest collection areas are in Europe and Africa (almost 27 million hectares each). In terms of quantities, the following products are the most important: bamboo shoots amount to 36 percent of the quantities collected, followed by fruits and berries (21 percent) and by nuts (19 percent) (see chapter on wild collection by Udo Censkowsky and Uli Helberg).

For the global statistics, this adds another 62 million hectares to the 30.6 million hectares of organic agricultural land.

Market

Global sales of organic food and drink have increased by 43 percent from 23 billion US-Dollars (17.8 billion Euros¹) in 2002 with sales reaching 33 billion US-Dollars (25.5 billion Euros) in 2005. Organic Monitor expects sales to have approached 40 billion US-Dollars (30.9 billion Euros) in 2006. Although organic agriculture is now present in most parts of the globe, demand remains concentrated in Europe and North America. The two regions are experiencing undersupply because production is not meeting demand. Thus, large volumes of imports are coming in from other regions (see chapter on the global market by Amarjit Sahota).

Standards & Regulations

2006 was a very dynamic year concerning the development of a legal framework for organic production in the world: for example, Canada and Paraguay passed legislation, and others elaborated drafts or revised existing legislation. The revision process of EU regulation 2092/91 on organic agriculture, however, received the most international attention in 2006. The process began at the end of 2005, and was almost finalized in December 2006 when the European Agriculture and Fisheries Council agreed on the outline of the new organic regulation. The final decision is expected in the spring of 2007. Currently more than 60 countries have a regulation (see chapter on standards and regulations by Beate Huber, Lukas Kilcher and Otto Schmid).

Certification & Accreditation

Today, 395 organizations worldwide offer organic certification services. Most certification bodies are in Europe (160), followed by Asia (93) and North America (80). The countries with the most certification bodies are the US, Japan, China and Germany. Many of the certification organizations also operate outside of their home country. 40 percent of the certification bodies are approved by the European Union, 32 percent have ISO 65 accreditation, and 28 percent are accredited under the US National Organic Program.

Lacking acceptance and recognition between the different certification and accreditation systems can contradict the objective of enhancing trade, market development and fostering confidence. An important initiative for international harmonization is the IFOAM Accreditation Program, which assesses certification bodies against the IFOAM norms. Currently 32 certification bodies operating in over 70 countries around the world have voluntarily submitted themselves to the IFOAM accreditation process. A recent development is the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF) aiming at a general consensus on harmonizing private with government and government with government standards/regulations (see chapter on certification and accreditation by Gerald Herrmann and Gunnar Rundgren).

¹ Exchange rate as of January 2007

Organic Agriculture by Continent

Africa

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

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

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

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

Asia

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

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

Australia/Oceania

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

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

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

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

Europe

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

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

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

Latin America

In Latin America many countries have more than 100'000 hectares of organic land, and having started from a comparatively low level, there have been extraordinary growth rates in the previous years. The total organically managed and certified area is now 5.8 million hectares. Almost all Latin American countries have an organic sector, though the level of development varies widely. The countries with the highest proportion of organic land are Uruguay, Mexico and Argentina. A major part of the 3.1 million organic hectares in Argentina are extensive grassland.

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

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

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

North America

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

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

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

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

Developments within IFOAM

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

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

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

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

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