

Organic Perspectives

Special Edition: International

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Next Newsletter in March 2003

This edition is dedicated to recent news in the international organic products market. For further information, contact Stephanie Riddick, (202) 205-3771, Stephanie.Riddick@fas.usda.gov.

New Zealand, United Kingdom and Quebec May Certify to USDA Organic Standards

January 16, 2003 – The U.S. Department of Agriculture's Agricultural Marketing Service has officially recognized that the organic assessment programs of New Zealand, the United Kingdom and Quebec are sufficient to ensure conformity to the technical standards of USDA's National Organic Program (NOP). This recognition agreement allows organic certifying agents in good standing (as determined by their respective governments) to certify agricultural products to NOP standards and that these products can be sold in the United States as organic.

Certification organizations under the purview of these governments no longer need to be accredited directly by USDA. For more information please visit <http://www.ams.usda.gov/nop/NOP/Trade.html>.

McDonald's is the Latest Multinational to Jump onto the Organic Bandwagon

McDonald's, international fast-food chain, announced that it is to start selling organic milk in its British restaurants from February onwards. This was followed by news this week that the multinational reported huge losses of \$343.8 million in the last quarter of 2002. The company reported losses for the first time due to the closing of hundreds of its restaurants. The fast food industry is suffering from intense price wars between chains, and a bad image due to outbreaks of BSE in Japan and Europe and the association of fast-food with obesity.

Some consumers are increasingly shying away from fast food and opting for healthier alternatives like fresh sandwiches. In the UK, McDonald's market share has been eroded by cafés and sandwich shops that offer fresh sandwiches, soups and wholesome snacks. McDonald's is aiming to buck this trend by using healthier ingredients. It has introduced lower-fat sauces, diet drinks, sweeteners and promotional salads. Its switch to organic milk is part of a strategy to give the fast-food chain a healthier and more environmentally friendly image.

For more information visit the *Organic Monitor* at <http://www.organicmonitor.com>.

USA: Rodale Institute Issues New Organic Price Index

A nonprofit organic research organization, the Rodale Institute, has created a wholesale price index Web site to help farmers find out the weekly going price for products in their region. The institute plans to announce the national New Farm Organic Price Index February 25th at the Ecological Farming Conference in Monterey. Daily pricing information is not currently available for organic products. The Rodale Institute said the index also could lead to lower supermarket prices for organic products, luring more consumers. Visit the Rodale Institute Web site for more information at <http://www.newfarm.org>.

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USA: ODA Offers Cost Share Reimbursement to Oregon's Certified Organic Growers

The Oregon Department of Agriculture (ODA) is offering partial reimbursement of the cost the state's organic growers have incurred to become certified under the new national organic law. Application forms are now available through ODA for cost-share reimbursement provided by the U.S. Department of Agriculture. ODA is administering those federal funds. An estimated 300 to 350 certified organic growers in Oregon are potentially eligible for partial reimbursement.

Authorized by the 2002 Farm Bill, the program is designed to assist producers, handlers, and processors of agricultural products in obtaining certification under the new national organic guidelines. Producers, handlers, and processors can receive up to 75 percent of the costs of obtaining certification, with a maximum payment of \$500. Oregon has received approximately \$160,000 in federal funds for reimbursement to eligible organic growers. Applicants must have received organic certification or renewal certification between October 1, 2002 and September 30, 2003 in order to be eligible for cost-share reimbursement.

Applications can be obtained by contacting ODA's Agricultural Development and Marketing Division in Portland at (503) 872-6600 or downloaded from <http://oda.state.or.us/admd/pdf/organicapp.pdf>.

India: Spice Board Strives to Boost Organic Exports

Under its national program for organic production, the government of India has created the Spices Board of India as an accrediting agency along with Agriculture Products Export Development Authority, the Coffee Board and the Tea Board. The Ministry of Commerce is the primary agency, which lays down policies and declares product standards and seeks recognition on Indian standards.

The board is encouraging spice farmers to shift to organic production due to the growing worldwide demand for organic products. It has taken up a World Bank project called Development Market Place for improvement and promotion of organic production of

improvement and promotion of organic production of spices, and certification and export of selected spices such as pepper, ginger, turmeric, cardamom, clove, nutmeg, rosemary, thyme, oregano and parsley.

More information on India can be found at <http://www.organicits.com/newspro/general/index.shtml>.

Maturing of Scandinavian Organic Meat Sector

Sales of organic meat products are slowing in Scandinavia as the organic food industry begins to mature. This research study by *Organic Monitor* shows that organic meat sales expanded by 9.2 percent to 298 million euros in 2002. Market growth rates of above 20 percent per annum have been witnessed since the mid 1990s. However growth rates are slowing because consumer demand for organic foods is stabilizing.

Denmark has the largest market in the region, comprising over a half of Scandinavian organic meat volumes. Organic meat products have been available in Danish retailers for almost a decade and organic beef now accounts for over 4 percent of beef sales in the country. Organic beef dominates the Scandinavian organic meat market. Sales of organic beef amounted to 236 million euros in 2002, representing about 3.5 percent of beef sales in the region. There is relatively low consumer demand for organic poultry because of the high price premium, which can be as high as 100 percent.

For more information on this market visit <http://www.organicmonitor.com>.



USDA News

Where are the Hot Export Markets?

The FAS Organic Products Web site at <http://www.fas.usda.gov/agx/organics/organics.html> offers a new feature entitled "Hot Markets".

FAS does not currently provide organic market information for all countries, however FAS "Exporter Guides" often offer brief information regarding the potential for organic product sales in a particular country. This is especially valuable for companies interested in non-European markets where minimal market information is available.

FAS will continue to gather useful and informative information on these markets and will keep you informed when it becomes available.

Ready for the All Things Organic 2003 Show?

Exhibit space is still available. Sales of exhibit space at *All Things Organic 2003* are ahead of last year at this time by over 40 percent, and demand is growing. Event and promotional sponsorships are selling fast as well. You can also sign up to sponsor/host an activity at *All Things Organic* scheduled for May.

For more information visit <http://www.ota.com>.



Upcoming Events

International

- **March 23-26, 2003** – International Food and Drink Exhibition 2003; The United Kingdom's largest international food and drink exhibition and one of the top five food exhibitions in the world, London, United Kingdom. Organic products are on the best product prospects list for this USDA -endorsed show. <http://www.ife.co.uk>. Contact information: Sharon Cook, USDA/FAS Trade Show Office, (202) 720-3425, Sharon.Cook@fas.usda.gov.
- **May 19-20, 2003** – ORGANEX, Organic Food Show, Paris, France. Contact information: <http://fr.organex.net> or Caroline Joucla-Fabre or Paola Goyon, (33-1) 41 18 8618, paola_goyon@groupemm.com or caroline_joucla-fabre@groupemm.com.
- **October 18-20, 2003** – NATEXPO (formally the DIETETIC), Organic Health and Dietetic Trade Show, Paris, France. Contact information: Sylvie Dalouche, (33-1) 49 09 6068, sdalouche@comexpo-paris.com.

Domestic

- **March 6-9, 2003**: Natural Products Expo West. Anaheim, CA. <http://www.expowest.com>. Contact: 1-866-458-4935 (toll free, U.S. only) or (303) 390-1776 or tradeshows@newhope.com.
- **May 14-16, 2003**: All Things Organic. Austin, TX. More information is available on the Organic Trade Association (OTA) Web site at <http://www.ota.com>.

ADDITIONAL RESOURCES:

- ❑ FAS, **AgExport Services Division's Organic Page** <http://www.fas.usda.gov/agx/organics/organics.html>
- ❑ **National Organic Program** Web site - <http://www.ams.usda.gov/nop>

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Editor's Note: As publishers of *Organic Perspectives* USDA-FAS-AgExport Services continuously strives to maintain a partnership with the organic food community by sharing information and providing export assistance through our many export program services. For more information on how we might support your company in establishing opportunities abroad, please contact us at (202) 205-3771.