

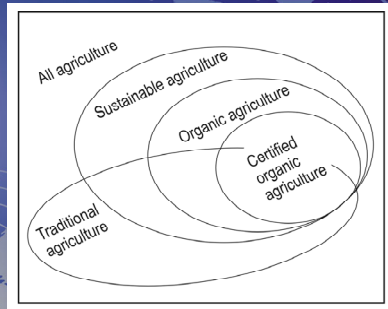
Organic Agriculture: A Trade and Sustainable Development Opportunity for Developing Countries

UNCTAD Trade and Environment Review 2006

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What is organic agriculture?



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Certified organic production:

over 31 million hectares in 2005

(51.1 million if including wild harvested)

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Economic benefits

Net income = (price x quantity) – total costs

Generally, incomes rise.

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Food security benefits

- Higher incomes
- Higher yields
- Diversified production
- Improved nutrition

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Environmental Benefits

- Less pollution
- Improved soil, incl. increased water retention and less soil erosion
- Enhanced biodiversity
- No genetic contamination

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Environmental Benefits, cont'd

- Mitigated climate change
- Reduced energy consumption
- Landscape services

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Social & cultural benefits

- Benefits for smallholders
- Women's empowerment
- Builds on traditional knowledge
- Reduced rural-urban migration
- Improved health & safety
- Community revitalization

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OA as an export opportunity

- Global sales of certified OA products approx 28-30 billion USD in 2005
- Sales growth rates at least double those of conventional food products
- Price premiums

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Export opportunities include

- Fresh and processed tropical products
- Counter-seasonal fresh produce
- Other products with demand-supply gaps
- Ingredients for food processing industry

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Regional Distribution of Certified Organic Food Sales 2005

<u>Region</u>	<u>Billion USD</u>	<u>%</u>
Western Europe	14.0	48
North America	13.0	46

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Production challenges

- Little or no government support (policies, ag extension, R&D)
- Conversion period
- Knowledge intensive
- Sometimes lack of organic inputs
- Lack of secure land tenure

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Export challenges

OA exports must:

- Meet SPS requirements in import mkt (same as for convent'l products)
- Meet requirements of OA regulations & be certified by approved cert. body
- Meet additional requirements of private standards (sometimes)

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Export challenges

- Agric. Subsidies in import markets
- Need for market information
- Consumer preferences for local food
- Lack of harmonization, equivalence & mutual recognition

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Recommendations to developing country governments

- Assess national organic sector & policies
- OA action plan
- Consider supporting OA R&D, extension services, certification costs, development of domestic market, exports, harmonization

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Other factors contributing to success

- Community organization
- Group certification

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Recommendations at international level

- Pursue harmonization
- Provide market info
- Take into acct special conditions in developing countries
- Support TC/CB in OA

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For more information

www.unctad.org/trade_env

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Thank you!



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