

18th Organic World Congress

Written inputs from panelists
of the Main Track Session

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Developing national Organic sectors: the key lessons (Panel discussion)

Tuesday, 13 October 2014 (11:30-13:00)

Local Sector Development

Developing national Organic Sectors: the key lessons

Background

Organic Agriculture is present in 160 countries. All of them have developed differently and have different situations. The Organic World is organized in a decentralized way. It emphasizes local solutions to local challenges and prefers short chains of local production and consumption to globalized supply chains. While some countries have fairly well-developed and advanced Organic Sectors, others have just started. Governments and development actors increasingly realize that Organic agriculture provides ample opportunities to implement rural development agendas and national policies. Some countries have well-balanced Organic Movements that drive the development of the sector, while actors in other countries remain isolated or even compete with each other in a destructive manner. The pace of development of the Organic Sectors and the strategies of the stakeholders are also quite diverse. A wealth of experiences about success factors in Organic Sector development exists, and IFOAM offers the service to assist national action plan development, but there remains great potential to learn from one another on tackling the challenges..

Session Objectives

The main objective of this session is to provide an overview of different types of sector development pathways and strategies. It will show how countries address key issues such as stakeholder institution building, establishing overall favorable socio-economic conditions, improving the reputation of Organic farming, innovation management and market promotion. It will further highlight the need for mutual assistance in national action plan development and priority setting to assure that organic sector development progresses.

Leading Questions

- What were the success factors “ and pitfalls “ in countries that have managed to develop their Organic Sector?
- What are the main ingredients for dynamic local or national sector development and how can the private sector, governments and NGOs be encouraged to work together?
- How do we assure that smallholder family farmers are collectively a powerful key driver of organic development?
- Which key lessons can we communicate to actors in local/national organic sector development?
- What factors are important for building favorable environments?
- How can international collaboration be enhanced?

Methodology: Panel discussion with 4-5 panelists. Each panelist gets the right to make an opening statement of 3-4 minutes and show max 3 slides.

Moderator/Rapporteur: Matthew Holmes/Patricia Flores

Speakers

- Saparbek Alymkulov, Bioservice, Kyrgyzstan
- Daniel Bärtschi, Biosuisse, Switzerland
- Bo van Elzakker, Louis Bolk Institute, The Netherlands
- Joelle Katto-Andrighetto, IFOAM, France
- Roberto Ugas, IFOAM WB & Universidad Nacional Agraria La Molina, Peru

Bo van Elzakker

What were the success factors and pitfalls in countries that have managed to develop their Organic Sector? NB. (Let's say develop 'develop OS fast'. Sooner or later all countries get there, some sooner)

- No one claimed to be the pope, the dictator, the one in control, sat on it – the movement is egalitarian and everyone chips in with his/her best, comes in and can leave. People get the floor because of their performance, not because of their position.
- No one claims the little money that is around just for him/herself. Whatever is available is directed to the most urgent priority. Priority setting, strategic planning is very important, very enlightening, brings everyone on the same page.

What are the main ingredients for dynamic local or national sector development and how can the private sector, governments and NGOs be encouraged to work together?

- Neither sector should claim to be the key driver of development. Every sector should be modest about its role. Stakeholders should not feel in competition with each other, there is space for everyone in a growing sector.
- Let's not forget, key players are 1) farmers and 2) consumers. Key facilitators can be NGOs, some scientist, some enlightened business people, some individuals in the public sector.

How do we assure that smallholder family farmers are collectively a powerful key driver of organic development?

- This is not easy to achieve as by nature, smallholder and/or family farmers are not used to attend, do not travel much, let be speak at talkshops and workshops. It is often very difficult to find good representatives of this sector. There are plenty of people who say they represent smallholders, NGOs but also private and even public sector people, but in practice they all tend to defend their own interests.

Which key lessons can we communicate to actors in local/national organic sector development?

- Don't bother about structures or who is in charge; be active, it is the activities that count.
- Don't wait for funds before you do anything.
- Communicate, communicate, communicate. Is very cheap nowadays with electronic newsletters.

What factors are important for building favorable environments?

- A fast developing market – the demand side
- Good, open communication
- No one claims to be the representative, the coordinator, the one in charge (but does little)

- No obstructive government (rules and regulations)

How can international collaboration be enhanced?

- There are often some regional networks, not sure how active and effective they are.
- It is sufficient for someone from a country to have travelled to another country and report back on what s/he has seen to his/her fellow countrymen. Usefulness of regional and international collaboration is often overestimated. Not sure it is that important.
- However, the fact that an international movement like IFOAM is behind the national grouping can come in very seriously among ministries.

Daniel Bärtschi¹

Organic agriculture has a long history in Switzerland. Bio-dynamic farming started already in the 1930s. A farmers' movement initiated by Hans Müller became the nucleus of the organic farming movement in the 1940s. In 1949, he used the term '*organisch-biologischer Landbau*' ('organic-biological farming') for the first time. There were already 500 to 1000 organic farms in the 1960s and 1970s. In 1973 the Research Institute of Organic Agriculture FiBL was founded, which has since become one of a major organic farming research centres worldwide.

In 1980 Swiss organic farmers' associations founded the umbrella organisation Bio Suisse and national private standards were established. Farms and products were labelled with the common "Bio Suisse Bud" seal.

Until 1990, the rate of conversions to organic farming had remained very steady for forty years, with annual growth rates of less than ten percent. During the boom years between 1990 and now, the number of organic farms increased from 800 to 6'111 (2008). In 2012, we had about 5'700, a decrease due to structural change in agriculture.

The Swiss Organic Farming Ordinance was put into force in 1998, following the legislation in the European Union. Both Switzerland and the EU mutually recognise each other's certification schemes.

The Swiss organic market is now 1.8 billion Swiss francs or 1.4 billion Euros (2012). The sales of organic products have been continually growing in the past years, and the market share of organic products is now 6.3 percent (2012). About 75 percent of sales pass through two major retailers and 15 percent through specialist organic shops, with the remainder retailing either direct from the producers or through family butchers and bakery shops.

The development of organic farming has been fast but very sustainable in Switzerland. Three factors were important:

- The current agro-environmental policy with its ecological payments has encouraged farmers to convert.

¹ CEO, Bio Suisse, Basel, Switzerland

- The state support has led to minor premiums for organic food, which is a very consumer-friendly situation.
- The wide-spread use of the organic "Bio Suisse Bud" seal in supermarkets, specialised food shops and at local and farmers' markets has strengthened the confidence of consumers in the quality and reliability of organic food.

What were the success factors and pitfalls in countries that have managed to develop their Organic Sector?

Success factors: visionary pioneers, political influence and acceptance, growing market potential due to consumer behaviour, good farm structure (Family farms), strong organisations (more than 90% of organic farms are member of Bio Suisse).

Pitfalls: too strong growth in 2000s lead to surplus, market not yet ready; strong opposition from established farmers associations, negative image of organic farming due to some "hippie" farmers.

What are the main ingredients for dynamic local or national sector development and how can the private sector, governments and NGOs be encouraged to work together?

- It is important to have strong leaders who can bring together various stakeholders around the issue of organic agriculture
- Research, extension and education are key factors
- Strong link to market, including consumers and retailers

How do we assure that smallholder family farmers are collectively a powerful key driver of organic development?

There is a clear need to form strong associations and to overcome old paradigms that hinder collaboration. In Switzerland, we had visionary leaders that included all streams in one umbrella organisation and created a strong brand (the bud).

Research and extension must be available and help farmers to better learn how to succeed in organic farming.

Which key lessons can we communicate to actors in local/national organic sector development?

- Build strong coalitions of organic farmers → have one voice
- Influence in policy making → networking and lobbying

- Works with the market
- Use of medias to tell the good story about organic products

What factors are important for building favourable environments?

- Policy framework
- Political influence
- Market demand
- Media presence

How can international collaboration be enhanced?

- Learn from each other and share of best practice
- IFOAM has an important role in this

Joelle Katto-Andrighetto²

Biography:

An Agricultural Engineer with multi-disciplinary background and a specialization in rural development and project management, J. Katto-Andrighetto has worked for IFOAM since August 2005. She is currently IFOAM Value Chain Manager. Prior experiences include working in Rome for FAO and in France and Uganda for various agricultural and rural development surveys and evaluation projects.

Ideas about my participation in the session:

Based on my work at IFOAM for the past 8 years, I would like to participate in the panel on "Local sector developments", where I envision to bring the a collection of personal observations and information collected from various countries and various stakeholders on the impacts of implementing various strategies for the development of domestic markets, particularly in countries with an emerging organic sector. I will refer to the recommendations developed by IFOAM over the years, and gathered under our publication "Building Sustainable Organic Sectors", but also to our more recent Policy Briefs, such as the one on the regulation of Imports based on Harmonization and Equivalence, and the one on Participatory Guarantee Systems recognition. I will however bring new perspectives as compared to those recommendations, particularly looking at experiences from countries that have implemented (or not) the recommendations in the past few years and the impact it has had on the development of their domestic market.

Answers to leading questions:

1. Success factors include:

- a. A strong national organic agriculture movement (umbrella organization for the organic sector nationally, or at least for the producers and processors), with stable income stream.
- b. An enabling regulatory framework (absence of regulation or a regulation which is open enough/voluntary).
- c. Good international connections of the leaders of the organic movement.

Main Pitfalls are:

- a. Focusing resources on wrong priorities (e.g. standard development or regulation for countries with inexistent sectors).
- b. Poorly appropriate standards and over-burdening control requirements.

2. The private sector needs to be organized before it can hope to interact effectively with the government. It needs to invest in developing good relationships with the "competent authority" and to demonstrate the value of its input. NGOs can implement projects that bring both government representatives and private sector together.

² Value Chain Manager, IFOAM. j.katto@ifoam.org

3. Small family farmers can take up organic agriculture if the control requirements enable them to access the market without certification or with alternative certification (Group certification, PGS). They can play a powerful role in the movement only if they organized in a specific organic producers association (otherwise they will be overruled by other actors).
4. Key lessons: 1) Organize yourself, focusing on common goals and leaving aside the differences (which are always there). 2) Develop a national organic strategy, using external input from international partners (IFOAM, neighbouring countries, etc.): do not develop your national strategy in isolation. 3) Focus on the right priorities depending on your stage of development: do not think that you need to copy standards or control requirements of the most developed organic markets if your conditions are so far away from that. In general, at the start, put more energy in establishing organic supply chains and promoting organic towards consumers, than on regulating it. 4) Don't be scared of imports, and facilitate imports of organic products in your country to complement your offer to national consumers.
5. Important factors to build favourable environments: see answer to question 1.
6. International collaboration is crucial. The main focus should be on:
 - a. Regional cooperation to facilitate organic trade with neighbouring countries.
 - b. Involvement in and collaboration with IFOAM in order to ensure sharing of lessons learned on the international level.

Saparbek Alymkulov³

Developing organic sector in Kyrgyzstan

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Key words: organic, marketing, sustainability, standard, technologies, private-state partnership

Author's Background

Saparbek Alymkulov, Executive Director since 2009, Bio Service, Kyrgyzstan. Education: University diploma, Management.

Kyrgyzstan as a post-soviet country with its agriculture as one of the core sectors of the economy, needs much to change in its strategy. The market is not defended and full of GMO and low quality products; nutrition and health problems as well as nature protection are topics for public discussions. Organic farming could be the driver for agriculture, but there is high resistance. Ban of GMO products was drafted as a law, but was not signed by the President. The public sector under the national Federation of Organic Development is trying to oppose the Government plans to construct a plant of synthetic fertilizers.

Questions:

What were the success factors τ AY and pitfalls τ AY in countries that have managed to develop their Organic Sector?

Success:

- There was a basis for establishing the sector: Bio Cotton Project, Bio Service and Bio Farmer cooperative have been developing organic.
- Cooperation with all interested/concerned parties: but founded an expert based organization – “Agrarian Platform” which was a driver to create a public opinion, and grew up to the FOD
- strong advocacy through mass media, donor community, Government and Parliament
- moving ahead through creating a cotton value chain exporting cotton abroad in a private way, showing the success experience to the Government and Parliament
- collaboration with organic stakeholders in neighboring countries: Organic Central Asia export partnership group
- strong support from IFOAM (elaboration of KONAP, participation at OLC)

Pitfalls:

- Every step was difficult: farmers need cash, do not want to wait for long income generation;
- GMO products are not banned yet, and more land is under GM seeds;

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- Every failure is followed by conflicts claiming that new organic “initiators” are to be blamed
- Too high pressure from Government and Parliament opposing the new movement

What are the main ingredients for dynamic local or national sector development and how can the private sector, governments and NGOs be encouraged to work together?

- Dialogue
- Create a public opinion
- Create an inductive environment

How do we assure that smallholder family farmers are collectively a powerful key driver of organic development?

- only having a **volume** at least for several consumers, we can achieve the market;
- **cooperation** of successful smallholder farmers will guarantee a market.
- **brand**: organic brand is interesting to every consumer. If the quality is insured. PGS can play a good role in mass consumption of organic products.
- **PGS**: the products specialized per PGS and marketed, would bring a good solution to differentiation of products in PGS groups
- **Non-certified** production mainly in livestock and handicrafts; mountain agro-eco systems

Which key lessons can we communicate to actors in local/national organic sector development?

- Communication/public awareness: long drive – easy future?
- Start with non-certified easier transition to organic through PGS, promotion of non-certified, but “by default” organic products
- Only high quality products in volumes and with a sustainable VC should be recommended through third-party certification

What factors are important for building favorable environments?

- Public awareness increase
- Political support
- Partnership

How can international collaboration be enhanced?

- Communication
- Agreeing main targets and objectives