

Global Organic Production

by Manuel A. Gómez Cruz - domingo, julio 23, 2006

https://vinculando.org/en/global_organic_production.html

Organic production in the world

The dynamic and lucrative Organic food industry has stimulated much controversy between conventional and organic agriculture. Even though the debate has existed since the nineteen-twenties, the nineteen-seventies ushered in the standards for its production, but it wasn't until the nineteen-nineties that organics' took off. In the last ten years of the last century more than 80% of the organic industry integrate itself into this system. This slow take-off is due to strong political and economical support from the conventional agriculture sector, the negative underestimated consequences in the intensive use of chemicals in agriculture and in general, the limited options of conventional agriculture.

In 2001 there were 16 million organic hectares registered in the world. [1] The two countries with the most coverage were Australia and Argentina (see Table 5), with 7.6 and 3 million hectares, respectively. But in these cases the coverage consisted of extensive pasture which in terms of biological mass production does not compare with that of cultivated farm areas.

In the United States organic production grew from 370 000 to 900 000 hectares in only 10 years. In Europe the process of conversion has been impressive thanks to favourable governmental politics that have supported this agriculture. Thus, European organic production grew from 111 000 hectares in 1985 to almost 3.7 million in 2001, which is equivalent to more than 2% of the total area under cultivation and 1.5% of total farms (130 000). [2] Mexico occupies the fifteenth place with almost 103 000 hectares.

Among the countries that have grown more than 25% per year in organic production are: Italy, Spain, Finland, Argentina, Denmark, Australia and the U.K. (see Table 5). There are seven countries which cultivate more than 5% of their total land organically: Liechtenstein, with 17%; Austria, with 8.4%; Switzerland, with 7.9%; Finland, with 6.8%; Italy, with 6.5%; Sweden, with 5.6% and Denmark, with 5.5 per cent.

A study of the European Unions' agricultural practices shows that among the principal factors in adopting this system of production are; governmental support, the removal of institutional barriers, and the access to information about consumer and food industry behaviour to producers. [3] Governmental support has been the principal motivator behind the restructuring to organic agriculture in the above mentioned countries.

Denmark, in 1987, was the first country to establish an active policy fostering organic production. Germany utilized an extension of that programme with the same aim intended. Day by day all of the countries in the European Union with the exception of Lunenburg, implement policies of support in this sector which conform to the European Union agro-environmental programme. Almost all the countries of that continent directly subsidize their organic producers. The European Union subsidizes 63 000 companies on 1.3 million hectares with almost 250 million dollars.[4]

Other forms of assistance to organic producers from the government are financial support for inspection and certification. Austria, Germany, Denmark, the U.K., Italy and Switzerland receive specific amounts for this process (see Table 6). In countries like Finland, France, Luxembourg and the Czech Republic producers receive support indirectly from the inspection and certification agencies or national entities which offer producers discounts.

In some states in the United States a third of the cost of total certification is absorbed by the government by the way of subsidies. Producers also have the option of choosing certification offered by said state(s) at a lower cost.

The most active and advanced political subsidies are found in Denmark, Finland, France and the lower countries that have formulated plans for organic agriculture. The plans usually have specific goals; growth, presentation of proposals directed toward the resolution of problems, initiatives to encourage the participation among local and regional authorities and to the majority of producers.

On the contrary, in some regions subsidies for production have over stimulated production resulting in surpluses having a negative effects on prices paid to the producers and the profitability to business.

In Mexico's case, the politics' in this mater are still not clearly defined, even though the tools of the Alliance for the Country are being used to build awareness of organic production. If this situation is not addressed soon, Mexico would maintain a competitive disadvantage in the global market and would loose an opportunity for development. Knowing this, Mexico could generate a sustainable strategy for developing rural areas of the country, occupy a good position in the international marketplace and develop a national market for organic products.

Lastly, it is important to assert that organic production, despite its fast growth-rate and subsidies for its development, will not substitute conventional agriculture in the foreseeable future, because of the limitations by business in their lack of ability to adapt, and the low buying potential in significant stratum of society. In fact organic agriculture has found a favourable atmosphere in developed countries where governmental budgets promote the industry. The slow evolution in developing nations is a result of governments moving away from their function as developers. However, in the search for production options and income, organic production for export to high demand countries has been a viable alternative.

Notas

[1] Helga Willer y Minou Yussefi, op. cit., p. 24

[2] Ibid., p. 69.

[3] Nicolas Lampkin, "Organic Farming in the European Union. Overview, Policies and Perspectives", ponencia presentada en la conferencia Farming in the European Union Perspectives for the 21st Century, Baden, Austria, 1999, p. 4.

[4] Nikolas Lampkin et al., "Entwicklung und politische Rahmenbedingungen des Ökologischen Landbaus in Europa", Agrarwirtschaft, vol. 50, núm. 7, 2001, p. 392.

** The present text is part of an article titled "Mexico as a producer of organic products." . This article appeared in "Commerce abroad" volumen 53, no. 2; febrero de 2003; pp. 128-138.

Translated by Cecilia Avila.