



International
Trade
Centre

EXPORT IMPACT
FOR GOOD



Organic agriculture, trade and development

An overview

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ITC

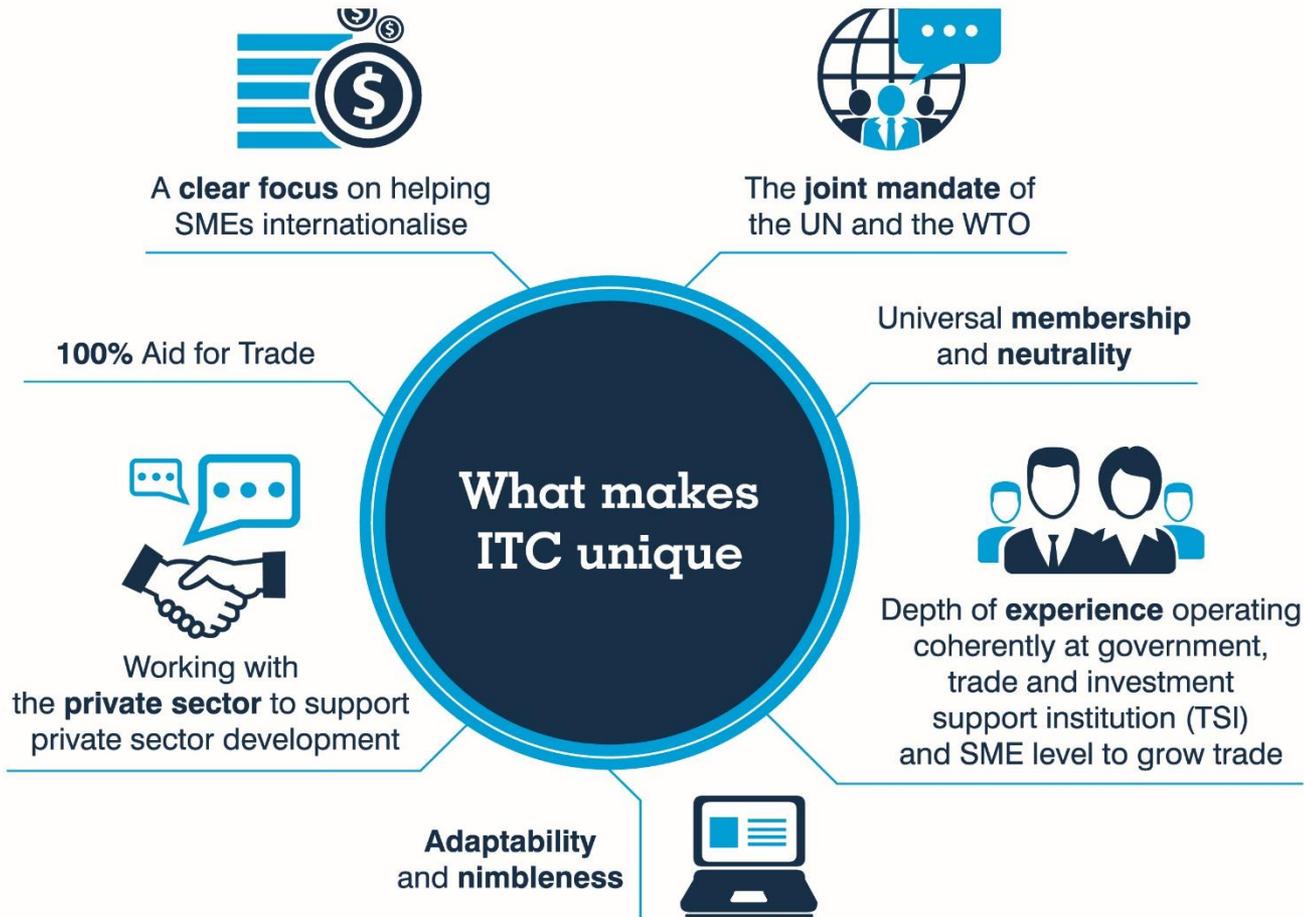
Presentation to Geneva Environment Network, 5th June

2021



EXPORT IMPACT for good

ACHIEVING SUSTAINABLE, INCLUSIVE DEVELOPMENT
BY INTEGRATING BUSINESSES INTO THE GLOBAL ECONOMY



Growth of agri food value chains but concerns about environmental impact

Growing levels of integration in global value chains (GVCs) by developing country agriculture

Increasing productivity and commercialization which is delivering economic benefits. However, concerns about the external costs of production

- Pesticide use
- Water contamination
- Soil erosion
- Deforestation and loss of biodiversity

Organic is one of many voluntary sustainability standards (VSS)



Role of voluntary sustainability standards (VSS)

VSS represent “de facto” market access

VSS enable farmers to build trust although some standards lack credibility (UNCTAD 2020)

Size of organic market attests to relatively high levels of consumer trust

Associated premium prices incentivize farmers to produce in more environmentally friendly way

Can lead to improved organization and efficiency

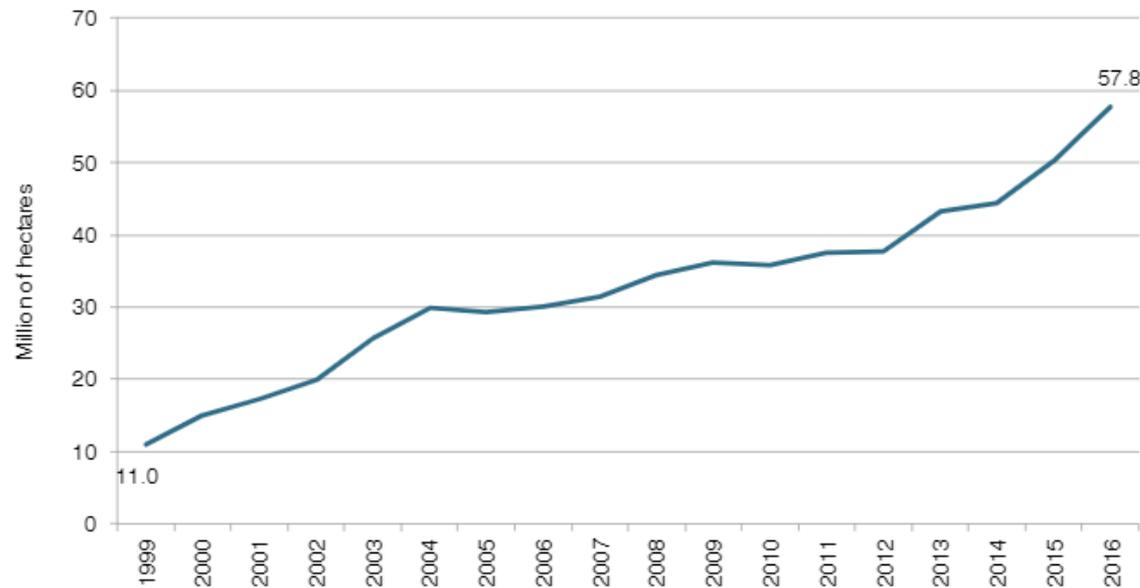
However, there are compliance costs in terms of changing farming and management practices (“knowledge intensive”), yearly audits, adoption of new technologies, investment in infrastructure etc.

These costs can act as a barrier to these emerging markets for small holders in particular.

Organic farming by land area

FIBL/ITC 2020 The World of Organic Agriculture

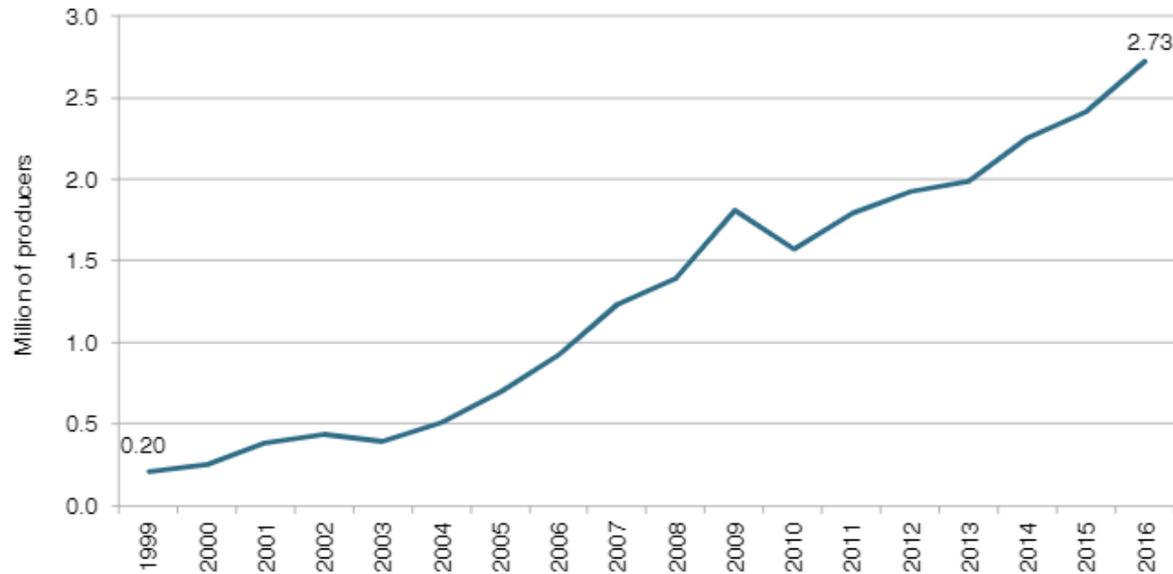
Figure 43: Organic: Certified area, 1999–2016



Source: GLOBALG.A.P., 2016.

Growth in organic farmers globally

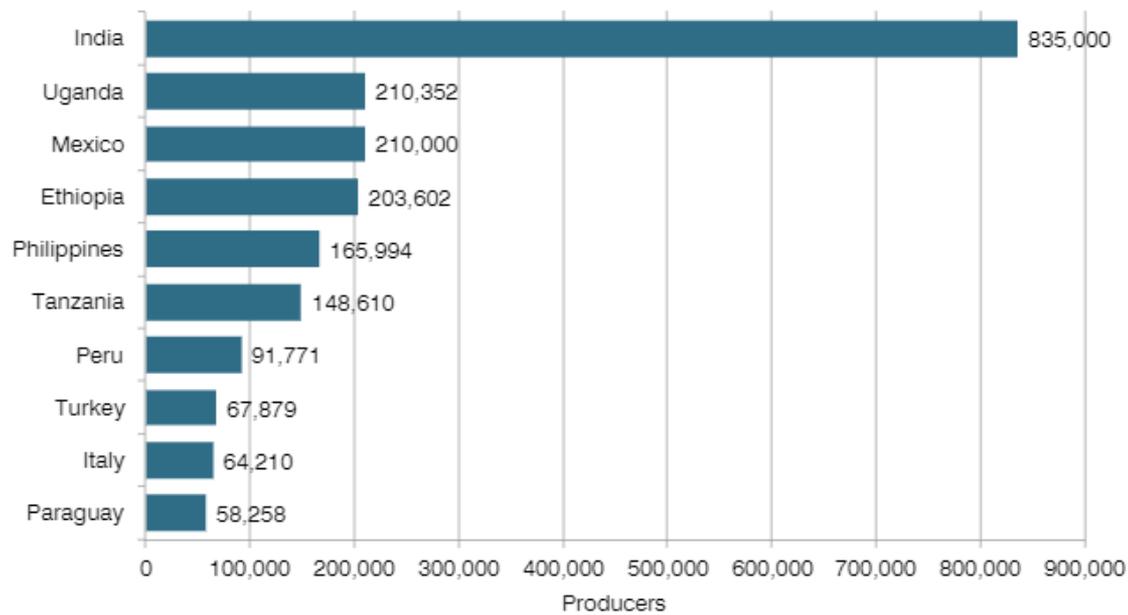
Figure 47: Organic: Producers, 1999–2016



Source: FiBL, 2018 (Willer and Lernoud 2018).

Organic farmers in the world

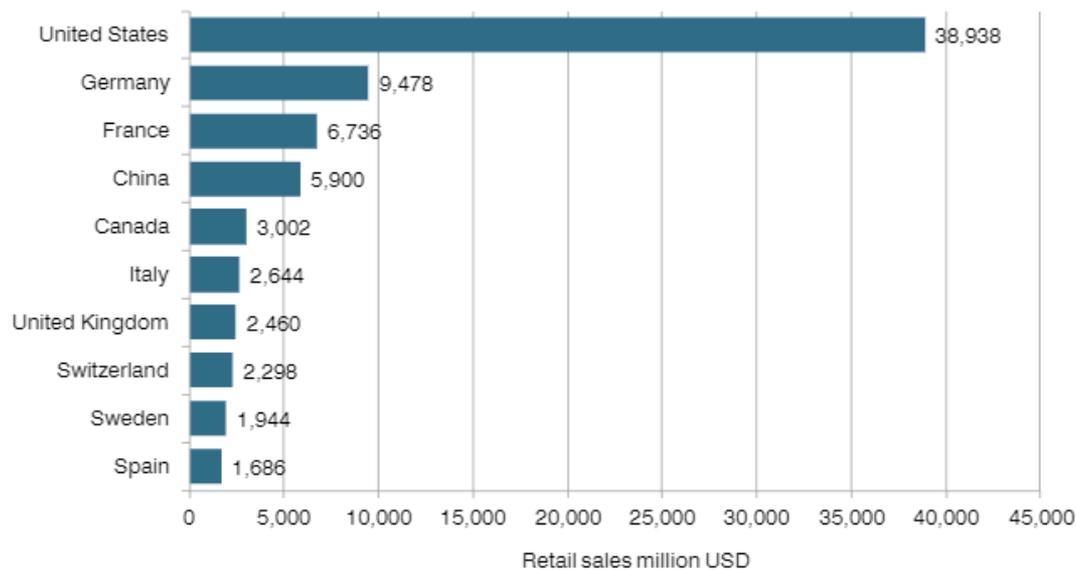
Figure 48: Organic: Top 10 countries by certified producers, 2016



Source: FiBL survey, 2018 (Willer and Lernoud 2018). Based on national data sources and data from certifiers.

Top countries by organic retail sales

Figure 50: Organic: Top 10 countries by retail sales, 2016



Source: FIBL survey, 2018 (Willer and Lernoud 2018). Based on national data sources.

Principles of organic agriculture

(IFOAM)

Principle of Health

Organic agriculture should sustain and enhance the health of soil, plant, animal, human and planet as one and indivisible.

Principle of Ecology

Organic agriculture should be based on living ecological systems and cycles, work with them, emulate them and help sustain them.

Principle of Fairness

Organic agriculture should build on relationships that ensure fairness with regard to the common environment and life opportunities.

Principle of Care

Organic agriculture should be managed in a precautionary and responsible manner to protect the health and well-being of current and future generations and the environment.

Organic farming environmental benefits

Reduced pesticide exposure



Improved soil health and reduced erosion



Climate change benefits and greater biodiversity



Do farmers benefit financially?

Generally, smallholder farmers' integration in sustainably certified products value chains is found **to generate economic benefits**.

Enables farmers to build trust with buyers

However, recent reviews synthesizing the evidence suggest ***mixed results on the impact of sustainability certification on sales revenue, farm income and agricultural wages***

By establishing rural producer organizations, farmers can access technical support from non-governmental organizations to obtain group certification, as well as increase the volumes delivered

FAO 2021

How technical cooperation can help

ITC is supporting farmers and SMEs around the world in the area of organic agriculture.

ITC's Aid for Trade technical assistance is delivered:

- to farmers to build knowledge on organic farming practices.
- to SMEs to build value and access markets and
- to governments to strengthen regulations on organic farming

Working with government, private sector and non governmental partners locally.

Smallholders: *building knowledge*



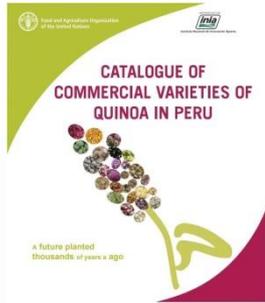
- Training on sustainable sourcing, climate resilient and **organic practices**
- Strengthening **organization and bargaining power**
- Preparation of producers to receive organic **certification**

Production

Value addition

Direct Sale

SMEs: *adding value*



- Creation of **market intelligence**: exporter guides, product characterization and analysis
- Preparation to receive sustainability and quality **certifications**
- Climate mitigation and eco-efficiency practices at the factory level
- Development of **marketing, branding and sustainable packaging** strategies

Production

Value addition

Direct Sale

SMEs: *accessing markets*



- Strengthening **business capacity** of SMEs/ cooperatives (organization, business plan, contract negotiations)
- Establish and maintain long-term **direct contracts** with international buyers
- Preparation for **trade fairs**

Production

Value addition

Direct Sale

Government: *strengthen regulations*

Strengthen Government administration and control of organic farming

- *Legal provision and policies on organic farming in place and in line with US, EU and major market regulations*

Implement certification system in accordance with EU and ISO systems

- *National control system for organic agriculture and certifying bodies operational*

In summary

Organic farming has grown in response to consumer demand

It delivers tangible environment benefits (climate and biodiversity)

It provide opportunities for companies to add value although there is mixed evidence regarding the financial benefit to farmers

There is a strong role for governments to regulate favourably and agencies to support the transition to a greener agriculture

Different initiatives and support

IFAOM www.ifoam.org

EU Commission https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming_en

USDA <https://www.usda.gov/topics/organic>

ITC <https://www.sustainabilitymap.org/home>

UNCTAD <https://vssapproach.unctad.org/>

UN Environment <https://www.unep.org/fr/node/19986>

FIBL <https://www.fibl.org/en/index.html>

References

FAO (2020) The State of Agricultural Commodity Markets (SOCO)

FIBL/ITC (2020) World of Organic Agriculture

Meemkena, E. (2020). Do smallholder farmers benefit from sustainability standards? A systematic review and meta-analysis, *Global Food Security* 26 (2020) 100373

UNCTAD (2020) Framework for the Voluntary Sustainability Standard Assessment Toolkit

Thank you

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