

self-supporting; schools ‘graduate’ when they no longer need help. There is a long-term coordinator or a coordinating group, which helps with resources and promotes mutual support and exchange of experience and information”.

It is essential for the success of the project that the actual growing is somewhat successful. In places with long school holidays during the growing seasons it can be a challenge to have someone tending the garden. Similarly it can be challenging to engage pupils if the harvest takes place after they finish school.

f. Export support

Political justification

Increasing the export of organic products is a way for countries to earn foreign currency and improve their trade balance. It is even more so than with conventional agriculture, because organic agriculture requires proportionally much less commercial inputs (which are often imported) and relies more on the countries’ own local resources. Combined with premium prices for organic, this results in better national value creation. In addition, as organic markets are demanding markets, it helps moving exports into a quality segment, instead of a bulk segment.

A well-developed organic export sector can represent a significant amount of the overall national trade balance. Growth can also be achieved in a relatively short time. For example, Tunisia increased the value of organic exports from EUR 7 million in 2004, to EUR 35 million in 2008 and to around EUR 140 million in 2015. This represents an average growth rate of 30% per year over the decade. This spectacular growth was the outcome of very pro-organic government policies and particular pro-organic export policies.

Developing organic exports is also a way for countries that do not yet have a significant domestic demand for organic products to still encourage production development, stimulated by foreign markets. Tapping into the growing global demand for organic products represents a significant economic opportunity for agricultural export economies.

Hence government support to kick-start and boost organic export market chains is a sound investment for countries to make, with returns that will be, not only in terms of environmental protection and job creation (public goods afforded by organic agriculture) but also in terms of earning foreign currency.

Suitable contexts

Support to organic exports can be implemented at various stages of development of the organic sector. It will however be less suited to a context where the country is essentially an importing country for organic products where local production is not well developed despite high domestic demand.

Support for organic exports can be implemented regardless of the organic regulatory context of the country. Some countries can be large exporters of organic goods without having a domestic organic regulation: their producers simply abide by the regulations of the importing markets. It will be clear which operators are certified organic for foreign markets and those can still be prioritized in export support schemes.

Export support is practiced to various degrees by almost all countries, even those that are otherwise on the low side in terms of government culture of intervention on the agricultural sector.

Export support for organic businesses can contribute to the policy objective of earning foreign currency, and to the objective of encouraging societal benefits from a wider adoption of organic agriculture on the national territory. It will however not be relevant to the objectives of increasing self-sufficiency in organic production or to the objective of increasing access to healthy food for domestic consumers.

Possible modalities of implementation

Perhaps the most common type of support in this area is for government agencies to fund or subsidize organic companies to exhibit in, or attend, international organic trade fairs such as BioFach in Nuremberg. Travel costs and booth space is very expensive for small companies starting off in the organic export business, and giving them support to attend an international organic trade fair (with or without a booth) can be a very good way to enable them to make initial business contacts abroad, as well as get a sense of the demand and trends in this sector. Governments often organize and subsidize exhibits by individual companies in one pavilion under the country's banner. One intensive way for a country to promote its organic "brand" is to arrange the designation as "country of the year" at the BioFach Nuremberg. Countries that have supported their organic sectors by financing this action include The Netherlands, India, Denmark, Italy, Poland, and Brazil.

Trade missions taking organic companies abroad with an organized program of visits and meetings is another avenue for export promotion. This can also be packaged in the form of an "Organic Day" abroad, during which the domestic companies promote their products to the foreign market, as was done with the Tunisian Organic Day in Dubai. This event was deemed successful, as some Dubai specialty stores with wide regional reach became patrons of some of Tunisia's organic products.

Some countries (e.g. Tunisia, USA) provide to their organic producers and traders information on the organic sector and markets in other countries, including regulatory

requirements. In Tunisia, seminars have been organized to provide export market information. Alternatively the government can give funding to organic associations for them to organize capacity building (in the form of training, seminar or tailored advice) of organic companies on how to access international markets. In the USA, USDA has funded the Organic Trade Association's online Organic Trade Guide, which provides easily accessible and country-specific information on organic markets and regulatory requirements.

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The other way round, governments can fund potential buyers to come to their country and visit a range of organic producers and exporters, as was done by the Uganda Export Promotion Board.

Another type of support is to fund or subsidize market studies targeted at export markets. These can be either generic studies for the whole national export sector, or commodity-specific studies, or even studies done by private companies for their own export development.

Often, export support is embedded in value chain development projects, where successful export marketing is the ultimate objective.

Some countries do some general promotion for their "organic brand", meaning that they support the marketing of the image of their country towards foreign consumers and buyers. This can be in various forms, e.g. a video or presentations in conferences. It is often associated with the promotion of the national organic label as a brand, and can bank on the image of the "purity" of a country (e.g. mountainous countries) or it can try to correct the negative image of a country in terms of contamination. The compilation of a directory with export ready companies is also common. An alternative more specific approach is to grant funding to private organic sector organizations to conduct their own marketing campaigns on foreign markets.

A more anecdotal instrument is, for the few countries that still levy export taxes on agricultural commodities, to exempt organic exports from those taxes (e.g. Argentina).

One notable concept is the [Organic Trade Point](#) (OTP) developed in 2006 by the organic sector organization NOGAMU, in Uganda. Although it was funded through foreign support (development cooperation), a similar concept could be replicated and funded by government in exporting countries. The OTP is an online one stop center and a database that provides local organic farmers and exporters and importers who are interested in Uganda's organic produce necessary market information access. The OTP, which is linked with major international market information portals, is also a focal point for determining produce availability and their seasonality as well as the local growers' productive capacity.

Country examples

Tunisia is among the most pro-active governments in terms of encouraging its organic sector to export to foreign markets. Various public institutions have supported Tunisian exporters in understanding foreign market requirements and promoting their products towards foreign buyers, abroad and within Tunisia. For more information, see the Best Practice example textbox.

In **Morocco**, the government, including the Ministry of External Commerce, signed a joint public-private contract with the organic industry in 2011 for the development of organic agriculture. One axis of the plan is the development of the export sector and EUR 4.6 million has been allocated for this purpose.

In the **USA**, government export promotion programs have been particularly historically helpful for the development of organic farming when crops like organic soybeans did not yet have a big enough market in the US. More recently strong market growth has led to shortages of domestic supply for some organic products such as soybeans and for these products export promotion is not currently as relevant. However, it remains helpful for other raw products such as apples and grapes, and for many processed products. In 2015, the Organic Trade Association received a grant of around EUR 730,000 from the US Department of Agriculture's Market Access Program to promote US organic products abroad. The USDA Foreign Agriculture Service includes reports on organic markets of trading partners as a component of its Global Agriculture Information Network (GAIN) program.

The **EU** Commission finances projects to promote EU agricultural products in foreign markets through yearly calls for proposals under its general policy on information provision and promotion measures concerning agricultural products¹²³. Although there is not specific funding provision for the export of organic products under those calls, the program finances a number of organic export promotion projects. In the period 2007-2013, the EU Commission spent a total of EUR 4.9 million on projects supporting organic exports in this program. Organic exports are also being promoted under other EU programs. For example, the EU Gateway-Business Avenues is an initiative funded by the European Union helping European companies to establish long-lasting business collaborations in Asia. It does sometimes focus on organic companies. For example, in the framework of this initiative, the second Business Mission to Korea in November 2016 was reserved for Organic Food & Beverages. In such missions, the EU companies operating in the processed organic Food & Beverage industry have the opportunity to participate in the Food Week Korea exhibition, showcase their products, and meet business contacts.

The **Netherlands**, in its National Organic Action Plan 2005-2007, supported exports of organic products with a EUR 1.7 million budget allocated by the Ministry of Agriculture. This included promoting Dutch organic products in international fairs, such as Biofach, as well as through trade contacts.

¹²³ *The revised agricultural product promotion policy adopted in 2014 is regulation 1144/2014.*

In **Denmark**, the Danish Rural Development Plan contained measures financing organic export efforts and strengthening export competencies in small companies. The Organic Export Academy managed by Organic Denmark received support from the government for export training and seminars, where participants learn about individual markets, supermarket chains, certification requirements and tailoring products to specific markets. The program under the RDP is now closed but there is a provision of around EUR 1.3 Million annually for export under the Fund for Organic Agriculture, which includes support for exhibitions, work with individual chains in other countries, etc.

The **Uganda** Export Promotion Board (UEPB), in recognition of the role of organic exports in the economy, and to foster competition among organic operators producing for export, introduced the Best Organic Exporter and Organic Fruits and Vegetable Exports Awards within the President's Awards for Exports. The UEPB also co-organized buyer tours whereby European organic buyers visited Ugandan producers.

The government of **Argentina** announced in March 2016 the complete removal of export taxes on organic products of plant origin, in order to promote organic exports. This decree was published in the Official Gazette, and applies to organic products that are certified under the national organic law.

In **Mexico**, the government established in 2008 "Impulso Orgánico Mexicano", the national association for the promotion of organic products, which acts as the Promotion Committee of the National Council for Organic Agriculture (working both to promote domestic sales and export). It elaborated a promotion plan for organic product exports, which was submitted to the Mexican export promotion agency. Additionally, the Mexican Ministry of Agriculture, via its Agricultural Marketing and Market Development Service Agency (ASERCA), conducts campaigns for the promotion of Mexican organic products abroad. Mexico's participation in the Nuremberg BioFach is also supported.

In **Costa Rica** the government provided financial support to organic companies for exhibiting at international organic trade fairs, such as the BioFach.

In **China** the central government does not provide specific support for organic companies to access export markets, but some of the provincial governments¹²⁴ do, especially in terms of financial support for companies to attend BioFach fairs.

In **Indonesia** the district of Semarang has facilitated the certification of organic vegetables and access to export markets to Singapore and Malaysia. The Indonesia Organic Alliance also received some support from the government for their booth materials at the BioFach exhibition fair.

In **Nepal** the government subsidizes the cost of organic certification for export markets, as well as the establishment of internal control systems. This support is provided every year under the Ministry of Agriculture Development, Agricultural Commodity Export

¹²⁴ Those include the provinces of Xinjiang, Jiangsu, Beijing, Hubei, Sichuan and Guizhou.

Promotion Program. In the year 2014/15, six organic companies benefited from the grant program.

Best practice example(s)

Best Practice Example: Tunisian government support to organic exports

Tunisia has supported organic agriculture actively since 1999, primarily with an export-focused ambition. Tunisia first saw itself as having a comparative advantage in the supply of organic products for the EU market, and put a range of measures in place to ensure this opportunity was tapped into. Recently, Tunisia has been looking at other emerging markets and supporting its exporters to enter those promising markets.

The Agricultural Investments Promotion Agency (APIA), run by the Ministry of Agriculture, promotes private investments in Tunisian agriculture and agricultural exports. In line with the government's general policy in favor of organic exports, APIA has conducted a number of activities that have facilitated the entry and penetration of the country's organic products in international markets. In 2008, APIA financed a study for a promotion strategy for Tunisian organic products on specific markets. APIA regularly participates in international organic trade shows and exhibitions, including the BioFach Nuremberg organic trade fair, at which APIA supports a Tunisian Country Pavilion where Tunisian exporters can feature their products. It also regularly organizes special events in Tunisia to present Tunisian organic products to potential foreign buyers (like the "Tunisian Organic Day").

Other Tunisian governmental institutions also promote organic product export. In 2016, the General Directorate for Organic Agriculture, part of the Ministry of Agriculture, in cooperation with the Center for export Promotion of Tunisia, organized an information day for organic exporters, with a focus on the US and Dutch markets. The Tunisia-China cooperation council organized an information day in 2016 to provide awareness and information to national producers on Chinese market opportunities. The Tunisian Chambers of Industry and Commerce also partner with their foreign counterparts on the organization of special days on organic investment and export opportunities. In 2016, the Minister of Agriculture initiated the production of a documentary film on Tunisian organic products, to be used by Tunisian embassies and economic representatives abroad.

Together with numerous other measures implemented by the Tunisian government to promote organic production, the above export promotion policies have paid off: the value of organic exports increased from EUR 7 million in 2004 to around EUR 140 million in 2015.

Pitfalls and challenges

The hurdles for exports of organic products are the same as for conventional. But, in addition, the market is much smaller, and the quality range is narrower. Mostly only premium qualities are possible to sell as organic, unless it is a feed product. Certain qualities are not possible to sell at all, and there are numerous obstacles relating to standards and certification requirements and procedures.

Even with subsidies, it may be difficult for small companies to afford attending international organic trade fairs (unless their participation is nearly completely funded). Exhibiting at the fair is only the first step: unless exhibitors have an attractive

display, samples, good communication abilities and language skills, it is very difficult for them to get value out of a stand. It might be better for those that are not ready to simply visit the fair instead of exhibiting.

Another problem is the volumes of products, or quality that small exporting companies are able to offer, which often do not match the expectations of the large traders.

There is a general tendency to underestimate the difficulties in export marketing. There are cases where local prices are higher than export prices, and even where local prices for non-organic products are higher than organic world market prices: this is the case for honey in many countries.

g. Organic Trade agreements / equivalence negotiations

Political justification

For a country that has a full organic regulation and which has reached a significant amount of organic exports to a given importing market, negotiating an equivalence agreement (also called organic trade agreement) can be a way to further facilitate exports. If the country is granted equivalence by its main importing market, it means that to access this market its producers will need to be certified only once, to the domestic regulation. This will reduce transaction costs for organic operators. Normally, these negotiations are bilateral and reciprocal, which means that two countries will grant equivalence to each other. There are still few studies that have looked at the impact of equivalence agreements on trade, mostly due to the absence of specific HS (Harmonized Systems) codes to track trade flows of specific organic products. Among the exceptions is the US, which has been developing organic HS codes annually since 2011, reaching 34 in 2016. A study from the Organic Trade Association looked at the impact of the equivalence agreements signed by the US on its organic exports and found that organic equivalency arrangements, examined both collectively as a single policy or as individual policies, have a positive impact on organic exports, often generating a 200% increase in organic exports to the countries with which an equivalence agreement is signed¹²⁵. In other countries, organic competent authorities have reported a decrease in phone complaints from exporters and importers regarding organic shipment procedures after an equivalence agreement is signed, which is also an indicator of tangible benefits.

Although obtaining equivalence is a very appealing milestone for an exporting country and a sign of international recognition and credibility endorsement of its organic standard and control system, its value in terms of boosting exports should not be overestimated. In particular, the strategy pursued by some governments to develop a national organic regulation (at a very early stage of development of their sector) that

¹²⁵ *Impacts from Organic Equivalency Policies, A Gravity Trade Model Analysis*, available at http://ota.com/sites/default/files/indexed_files/OTAOrganicTradeReport2015.pdf